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# The Effects of Government Funding on Non -Profit Organizational Behavior.

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**THE EFFECTS OF GOVERNMENT  
FUNDING ON NON-PROFIT  
ORGANIZATIONAL BEHAVIOR**

A Dissertation

Submitted to the Graduate Faculty of the  
Louisiana State University and  
Agricultural and Mechanical College  
in partial fulfillment of the  
requirements for the degree of  
Doctor of Philosophy

in

The Department of Political Science

by

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## **ABSTRACT**

This dissertation addresses the problem of determining the effects of government funding on non-profit organizational behavior. The definition of a non-profit organization is a formal organization, privately incorporated but serving a public purpose, self-governing, voluntary to some degree and non-profit distributing (Salamon, 1993). The literature review demonstrates the increasing role of non-profit organizations as a means of social service delivery in the United States. As a result of policy changes and funding opportunities, nonprofit organizations are increasingly providing services that were in the purview of government.

The hypothesis for this study is that government funding positively affects the organizational behavior of non-profit organizations in terms of advocacy behavior, alliance behavior and program diversification. The principal research question for this study is: "What is the direct effect of government funding on nonprofit organizational behavior in terms of (a) advocacy behavior; (b) alliance behavior; (c) diversity of programs?"

This study relies on a data set of 170 cases of nonprofit organizations in Louisiana generated by a random mail survey in 1997 and five extensive case studies completed in 1999. The results of the study indicate that the organizational behavior of non-profits is affected by government funding. The results of the logit and regression models of the different funding/organizational scenarios are not as clear and convincing as one would like to report. However, the results generally confirm the premise of the study.

The activities of non-profit organizations are affected by governmental agencies which act as funders and regulators as well as partners in service provision. The increased reliance on government funds may be transforming some non-profit organizations into quasi-governmental entities that do not have the same ethos as traditional community-based and community-funded nonprofit organizations.

The blurring of the lines between the for-profit, non-profit and government sectors caused by competition for resources may lead to the diminishment of the nonprofit sector. The future viability of non-profits may be threatened by the new emerging market for government contracted services and the increased competition across the sectors to be the vendors for those services.

## **CHAPTER 1. INTRODUCTION**

Feeding the hungry, healing the sick, housing the homeless—these are some of the expected functions of non-profit organizations in the United States. More broadly, from the soup kitchen to symphony hall, non-profit organizations are a means of connecting communities and building the civic infrastructure of our country. An increasing number of organizations are working with government to provide essential social, health and human services. The relationship forged between non-profit organizations and government has significant public policy implications. As non-profit organizations increasingly depend on government funding, they rely less on donations and community support and they lose some of their independence, community focus and responsiveness to community needs. From 1982-1992, the growth in the non-profit sector is attributable to 40% from government sources, 8% from private giving and 52% from fees and charges (Salamon, 1997, 5). This shift in funding has implications for the organizational behavior of non-profit organizations.

The interests of the public, the market and the non-profit sector are converging in the 21<sup>st</sup> century. As non-profits increase their contracting with government, the business sector is seeing new opportunities for growth. Non-profits are facing challenges from government to provide more services and threats from the business sector to compete in service areas traditionally in the realm of the non-profit sector.

In 1999-2000, the State of Louisiana contracts with non-profit organizations over \$520 million for social and professional services, and this does not include payments to non-profit hospitals for Medicaid. Of the fifty largest contractors with the state for social

services, forty-seven are non-profit organizations. Many of these organizations actively pursue state funding through advocacy and alliance activities. Several of the largest non-profit contractors are new organizations formed in the last ten years specifically for the purpose of contracting with government.

As non-profit organizations alter their missions to “chase the funding,” it is apparent that government funding is affecting the non-profit’s organizational behavior. One of the concerns in the non-profit sector is how to maintain the trust of the public and the traditional expectations of the sector, as the funding and regulatory landscape changes.

This dissertation examines the effects of government funding on the organizational behavior of non-profit organizations in Louisiana. This introduction addresses the historical importance and scope of the non-profit sector, the significance of this study, and the conceptual framework and outlines the organization of the dissertation. The study of non-profit organizations is a growth industry because of the recognition among scholars and practitioners that non-profit organizations are institutions playing vital roles in modern democratic societies by serving as the guardian of the public good, providing essential community services, mobilizing community responses to problems through advocacy and education, and generally serving as a means to build the social capital of the country (Salamon, 1997, 3).

The scholarly community has increased its interest in non-profit organizations as a result of a better appreciation of the significant economic and programmatic role of non-profit organizations. In the last forty years, non-profits have greatly expanded in

number, mission, size, and diversity. Non-profits have become worthy objects of study for anyone interested in public policy because it simply makes no sense to define either society or the economy in terms of only government or the private sector (Haskell, 1995, 652).

The focus of this study was determined by the concern about the growing role of non-profit organizations in delivering public services. Smith and Lipsky (1993) suggest that government has established a “contracting regime” in which non-profit organizations are “agents of the state.” The relationship of non-profit organizations and government raises important questions about the changing expectations of non-profits as government service providers. Salamon (1989) routinely refers to the non-profit sector as “third party government” because the state and the non-profit sector are complementary in service provision. The responsibility of non-profit organizations is dominated by governmental agencies as funders and regulators as well as partners in service provision.

The non-profit sector is becoming recognized as a significant part of the economy and public welfare delivery system. Indeed, the efforts and activities of non-profit organizations are now commonly referred to as a ‘third sector’ and increasingly as a means of providing services that have been the purview of government (INDEPENDENT SECTOR, 1996, 1997, 1998; Gronbjerg, 1998; Hansmann, 1987; DeHoog, 1984).

The terms “non-profit”, “third” and “independent” were first used in 1973 by Theodore Levitt and Amitai Etzioni in the Filer Commission Report. The Filer



Commission was appointed by Congress to study philanthropy in the mid-70s. The commission did not initiate the discussion of a sectorized economy, since according to Kramer (1998) the concept of a sectorized economy was developed in the late 1940s by the National Income Accounts of the U.S. Department of Commerce. However, the term non-profit sector did not come into common usage until the 1980s (Webber and Wildavsky 1986). In "Patterns of Generosity in America," (Julian Wolpert) discussed the emergence of the sectorized economy:

America's three-sector economy divided between public, private and non-profit entities is not a rigid and permanent structure. The division of activities has evolved over three centuries. The evolution reflects the changing conditions and values of our society and the shifting comparative advantage of each of the sectors to carry out an agenda that is affected by contemporary resources, needs and societal preferences (Wolpert 1993, 11).

Wolpert stated that that non-profits raise their own revenues from a variety of sources in including donations, government grants and contracts, fees, and dues and service charges. However, the impact of government policy on non-profit organizations is generally felt directly as a change in funding.

Salamon (1993) reformulated the definition of the non-profit sector as a collection of formal organizations, privately incorporated but serving a public purpose, self-governing, voluntary to some degree and non-profit distributing.<sup>1</sup> According to the Internal Revenue Service (IRS), in the United States there are approximately 1.2 million

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<sup>1</sup> Of the twenty-five IRS designations for tax exempt organizations, only 501(c)(3) organizations are deemed charitable organizations which are created to serve a public benefit and receive the extra privilege of accepting tax deductible contributions from individuals and corporations. These organizations must be the Internal Revenue Service standards of religious, charitable, educational, scientific and literary purposes.

tax-exempt non-profit organizations registered as of 1997. Of these, 654,000 were 501(c)(3) charitable organizations eligible to receive tax deductible contributions.

**Table 1.1. Tax Exempt Organizations Registered with the IRS, 1989-1995**

Tax Exempt Non-profit Organizations Registered with the IRS	1989	1992	1994	1995
501(c)(3)	464,138	546,100	599,745	626,226
Total # of non-profits	992,537	1,085,206	1,138,598	1,164,779

Source: State Non-profit Almanac 1997, The Urban Institute Press, 3.

In Louisiana, not all non-profit organizations are required to register with the IRS, but they are required to incorporate and file with the Louisiana Secretary of State. At the present time, there are nearly 30,000 incorporated non-profits in Louisiana. These groups range from the smallest neighborhood group to the largest non-profit hospital. There are more than 15,000 Louisiana non-profit organizations registered with the IRS.<sup>2</sup> Of these, more than 7,200 are 501(c)(3) organizations. In 1997, 2,293 501(c)(3) non-profit organizations in Louisiana filed IRS Form 990. Appendix C includes information on the non-profit sector in Louisiana.<sup>3</sup>

The growth in the non-profit sector is measured by the number of incorporated non-profit entities, the number of paid staff in the sector, and the percentage of national income generated in the sector. The following table outlines the national changes from

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<sup>2</sup> Non-profit organizations only need to register with the IRS if they have financial activity over \$5,000. If they have activity over \$25,000 in a year, then they must file an IRS Form 990 as an annual informational return.

<sup>3</sup> The Appendix includes a list of the 501(c)(3) non-profit organizations in Louisiana which file IRS Form 990's and a publication from the Louisiana Association of Non-profit Organizations called "S and Sense: Profile of Louisiana Non-profits".

1977-1992 (*Non-profit Almanac*, 1998, 2). Additional data through 1996 is included in some categories.

**Table 1.2 Scope of the Non-profit Sector: Employment and Volunteering**

Years	Total Annual Funds	# of Institutions	% of all incorporated entities	% of National Income	% of Labor Force Paid Employees	# Full time /Part-time Employees	Volunteer Full-Time Equivalent	Volunteer Equivalent % of Labor Force
1996	NA	NA	NA	NA	7.4%	NA	NA	4.3%
1992	\$509 Billion	1.03 million	4.2 %	6.5%	6.6%	9.7 million	5.5 million	4.0%
1987	NA	NA	NA	NA	5.7%	NA	NA	3.9%
1977	\$111 Billion	739,000	4.6%	4.9%	5.3%	5.5 million	3.2 million	3.1%

Sources: Hodgkinson and Weitzman, *Non-profit Almanac* 1996-197 and interim update, January 1998, INDEPENDENT SECTOR; Giving and Volunteering in the United States

Steuerle and Hodgkinson (1999) reported on the scope of the sector and tracked the changes over the last two decades. Employment in the sector grew from 5.3% in 1977 to 7.4 % in 1996. Steuerle and Hodgkinson observed that there is a complementary change in employment in the public sector from 18.6% in 1977 to 16.5% in 1996. Steuerle and Hodgkinson speculated that a transference of authority, funding and programming may be responsible for the change. In addition to employment growth, government payments to non-profit organizations grew much faster than private sector payments and contributions (Steuerle and Hodgkinson, 1999, 87):

In recent decades the government and the non-profit sector have often acted more as complements than substitutes in many of their activities. When one considers the relatively constant rate of charitable contributions out of personal income and the growth in shares of total output and employment by the non-profit sector—all of which occurred during a period of rising social welfare spending by government—it is hard to argue that increased government activity has displaced private non-profit activity in any aggregate sense. Indeed, one of the most

important aspects of the modern relationship between the sectors is the way government has increasingly turned to the non-profit sector to serve as an intermediary or contractor in providing many public services (Steurle and Hodgkinson, 1999, 93).

Many scholars are aware of the magnitude of the sector and the implications of the organizational behavior of non-profits and the linkage to public policy.

According to Boris and Steuerle, “scholars are beginning to document the central role that formal and informal non-profit organizations play in creating the glue that holds communities together and the avenues they provide for civic participation” (1999, 3).

Other scholars such as Etzioni (1993) and Verba, Schlozman and Brady (1995) outline the significant role that non-profits play in creating a civil society.

The notion that non-profit organizations form the civic infrastructure of the country is not a modern idea. The importance of the non-profit sector was first reported by Alexis de Tocqueville in his visit to America in the 1830's. In *Democracy in America*, Tocqueville suggested that Americans have a natural tendency to form alliances or associations and presumed that this behavior is based on mutual self-interest or common interest:

Americans of all ages, all stations in life, and all types of dispositions are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types – religious, moral, serious, futile, very general and very limited, immensely large and very minute. Americans combine to give fetes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons, and schools take shape in that way. Finally, if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of a great new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association (Tocqueville, Lawrence, 1969 translation, 517).

Tocqueville stated that, “Nothing, in my view, more deserves attention than the intellectual and moral associations in America” (Tocqueville, 1969, 518).

Today, it is accepted that non-profit organizations form the civic infrastructure of the United States, creating opportunities for citizens to engage in community building activities and organizing to provide services and functions not met in the market or public sectors. However, the responsibility for the provision of services is increasingly falling into the realm of the third sector—the voluntary sector, the non-profit sector or sometimes called the independent sector (*Non-profit Almanac, 1996-1997, INDEPENDENT SECTOR, 1998*). Rose-Ackerman (1986), Powell and Clemens (1998), Gronbjerg (1998) and Perlmutter and Gummer (1994) report that the contemporary non-profit sector is affected by government policies such as privatization and devolution. These policies have enhanced the role of the non-profit sector as a service delivery mechanism of the state. The changing civil society has promoted the rise of non-profit organizations as social forces as well as economic and service entities.

Recent studies by the INDEPENDENT SECTOR (1997), Drucker (1990, 1993), Weisbrod (1986, 1988, 1996, 1998), and Rose-Ackerman (1986) further elaborate on the significance of the non-profit sector in sustaining civil society. Salamon in *America's Non-profit Sector* described the role of the non-profit sector:

[T]he non-profit sector plays an important role in promoting a crucial social value—‘the value of freedom and pluralism by encouraging the public good.’ John Stuart Mill pointed out in his treatise, *On Liberty*, ‘Government operations tend to be everywhere alike. With individuals and voluntary associations, on the contrary, there are varied experiments and endless diversity of experience’ (Salamon, 1992, 9).

To define the significance of the non-profit sector's role in the United States' civil society, Drucker describes the evolution of organizations:

[S]ociety in all developed countries has become a society of organizations in which most, if not all, social tasks are being done in and by an organization: the business enterprise and the labor union; the armed services and the hospital; schools and universities; a host of community services—some of them government agencies, many more non-profit institutions of the 'social sector' (1993, 49).

Non-profit organizations have increasing responsibilities as providers of services as a means to promote social change, build community, promote economic development, and build civil society.

According to Drucker's analysis, the autonomous social sector has increased in importance as a means of defining and encouraging citizenship and reweaving the fabric of society. The belief that non-profit organizations can work as 'agents of government' and society has added to the complex expectations of the roles non-profit organizations play and the range of services provided (Drucker, 1993). This service delivery relationship has altered the dynamic between the public, private, and non-profit sectors. As non-profit organizations are called on more frequently to provide services and contract with governmental entities, they have increasing interest in public policy and funding decisions.

The existence and financial viability of some organizations is inextricably intertwined with government funding and program priorities. The "collective goods" model views the behavior of non-profit organizations in terms of offering an alternative to government for the production of public goods. Weisbrod (1977, 1988) treats the presence of non-profit organizations as the result of the inability of government to meet

the demand for public goods, such as care for the medically indigent and other services (Frank and Salkever, 1994,134). Gronbjerg and other political scientists suggest that the non-profit sector emerged in response to community needs not met by government and the limitations of the market system or market failure. Therefore, government and community must collaborate for the provision of services in the non-profit sector.

A debate exists within the academic community about the blurring of the lines between the public, private and non-profit sectors. The distinctiveness of the non-profit sector and the shared roles with government and business for service provision are debated by national level non-profit infrastructure groups such as the Non-profit Sector Research Fund of the Aspen Institute, the INDEPENDENT SECTOR, the Union Institute, and the National Center on Charitable Statistics at Urban Institute. These issues are also relevant in the practitioner community as represented by the National Council of Non-profit Associations and in the scholarly community as represented by professional and academic groups such as the Association for Research on Non-profit Organizations and Voluntary Action <sup>4</sup>(ARNOVA) and Applied Research and Development International, Inc. (ARDI)<sup>5</sup>.

This research effort began with the overarching question: “What are the possible effects of government funding on non-profit organizations?.” The literature review in Chapter 2 examines the evolution of the non-profit sector and the increasing complexity

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<sup>4</sup> ARNOVA, is a community of people dedicated to fostering the creation, application and dissemination of research about voluntary action, non-profit organizations and philanthropy ([www.arnova.org](http://www.arnova.org)).

<sup>5</sup> ARDI accomplishes this mission through advocating the importance of effective leadership and management and conducting applied research which creates, enhances and facilitates utilization of knowledge([www.ardi.org](http://www.ardi.org)).

of funding relationships between the public and non-profit sectors. Salamon (1993), Smith and Lipsky (1993) and Gronbjerg (1998) report on the changing nature of the non-profit sector and the organizational behavior of non-profits. Non-profit organizations are responding to the changing landscape in order to compete for government funding and private sector resources.

One change may be that non-profit organizations are becoming more professional, sophisticated and complex because they have an increasingly complex relationship with government as both a funder and regulator. One of the areas this study will address is the impact of funding on organizations to determine if sophisticated and/or larger organizations are more likely to seek and maintain government funding.

Some of the issues to be addressed in the study, is such as the effects of funding on advocacy and alliance behavior, are addressed by prominent scholars in the field. One of the frequently cited authors is Salamon (1982, 1989, 1992, 1995, 1997, 1998, 1999), who has written extensively on the non-profit sector, government funding and the role of the sector in civil society. Weisbrod, Wolpert, Ryan, Gronbjerg, Smith and Lipsky and other scholars have started to focus on the advocacy activities of non-profits and the involvement in associations.

The goal of this study is to understand how organizational characteristics and government funding affect the organizational behavior of non-profit organizations as determined by the dependent variables—advocacy behavior, alliance behavior and diversity of programs. The results of this study will provide empirical evidence about differences in organizational behavior in non-profit organizations in Louisiana. These



findings may shed some light on the discussion of the impact and relationship of government funding and organizational behavior.

## **RESEARCH QUESTIONS**

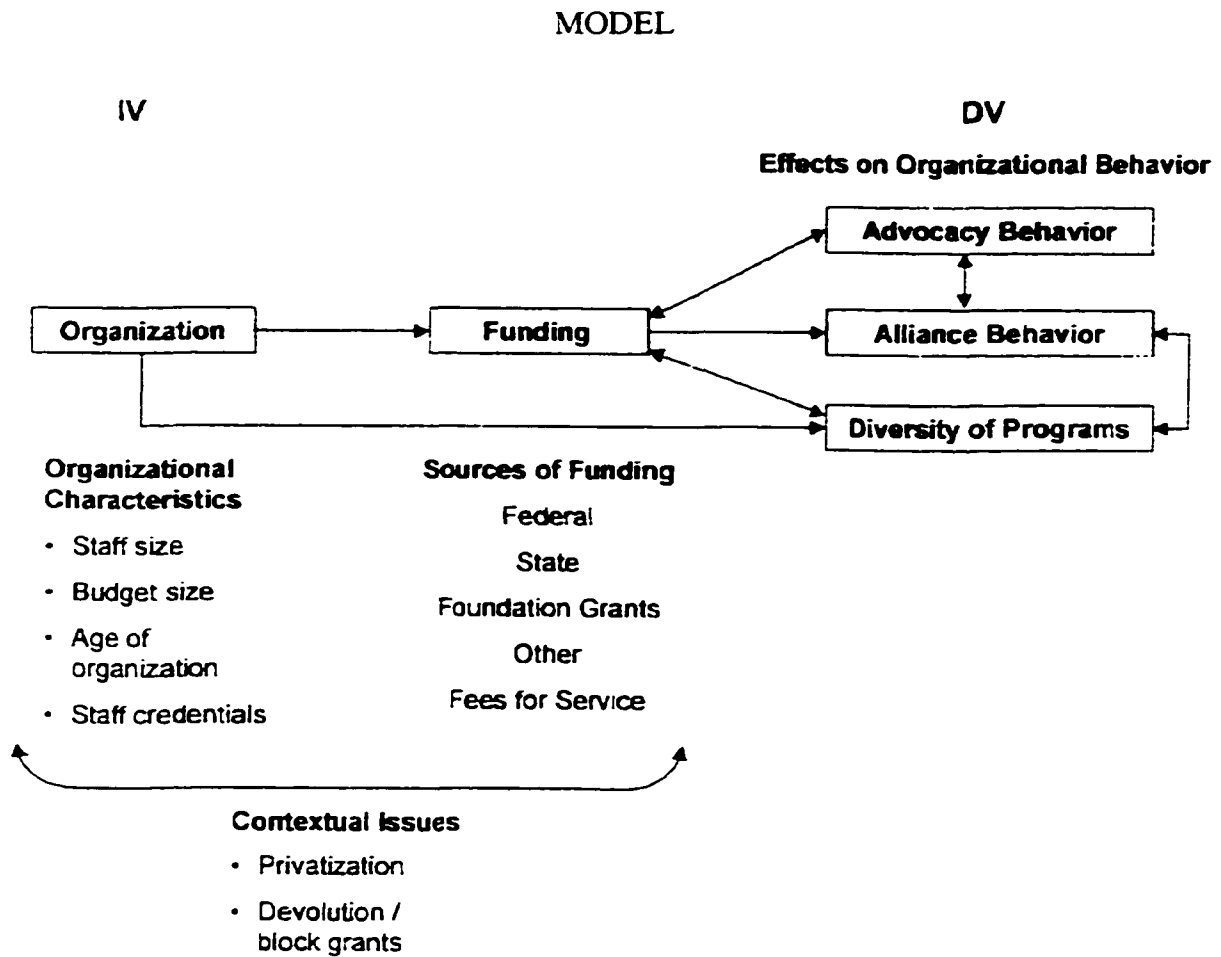
The research questions for this study are:

1. What is the direct effect of government funding on non-profit organizational behavior in terms of (a) advocacy behavior; (b) alliance behavior; (c) diversity of programs?
2. What is the direct effect of organizational characteristics on non-profit organizational behavior in terms of (a) advocacy behavior; (b) alliance behavior; (c) diversity of programs?
3. Do organizational characteristics affect these behaviors indirectly as well by affecting government funding?
4. Does the source of government funding affect these relationships?
5. Are there reciprocal relationships between the dependent organizational behavior variables for funding, advocacy behavior, alliance behavior and program diversity?

The model below outlines the relationships of the variables to be examined in this study. The analytical portion of this study relies on data generated from a survey of Louisiana non-profits completed in the summer of 1997.

The model identifies the conceptual framework of the study. There are four primary areas of interest to be evaluated in the study: the contextual factors, organizational characteristics, funding, and organizational behavior. The discussion of

organizational behavior is subdivided into advocacy behavior, alliance behavior and program diversification.



The contextual issues are the overarching issues or policies that affect the sector. The impact of privatization and devolution on the behavior of non-profit organizations is a critical aspect of this study. Ryan (1999) identified the problems of non-profits in balancing their missions to provide services as well as serve as educators, advocates and, agents of social change. The role of non-profits is also to challenge society to respond to human problems in new ways—particularly through public policy and advocacy.

Ryan (1999) recognized the potential conflicts of non-profits to manage their missions—a public policy agenda that includes advocating on behalf of their clients that in turn might mean criticizing their funding sources and policy makers who issued their contracts. Privatization, devolution and other policy changes are affecting governmental decisions about funding and the provision of services by non-profit organizations. The literature review suggests that non-profit organizations are responding to meet funding changes and the demands of government oversight and increased contracting for the provision of services.

The changes in organizational characteristics, according to Smith and Lipsky, (1993) indicate that power is shifting from voluntary boards to more highly trained professional executive directors who are more responsive to funding and regulatory relationships with the state. Government expectations for professional management of non-profit organizations that contract with the state have altered the management dynamic and the perception of non-profit organizations in the community. Other possible organizational changes resulting from the emphasis on contracting are changes in the mission of the organization, composition of the board of directors, sophistication

in record keeping, contract and financial management and increases in the administrative demands on organizations (Crimmins and Keil 1983; Grayson and Tompkins 1984; Herman 1994; Knauff, Berger, Gray 1991; O'Neill and Young 1988; Powell 1987).

Schlesinger (1998) and Smith and Lipsky (1993) suggest that the professionalization of the non-profit sector displaces community volunteers with paid professionals, which results in higher program costs, reduced services, and a distancing of the client from the organization. One of the side effects of the increased sophistication of organizations is that non-profit organizations may be working less as advocates for the clients and more as advocates for themselves. Changes in funding may mean that non-profit organizations are now required to think and act in strategic and political terms rather than strictly in terms of service provision or responsiveness to community needs (Weisbrod ,1986; Young, 1981; Alexander, 1998).

Opportunities for state or federal funding may provide the impetus for organizations to diversify from their original mission (Staeheli, Kodras, Flint 1997; White, 1981; Rose-Ackerman, 1986; Powell and Clemens, 1998; Gronbjerg, 1998; Perlmitter and Gummer, 1994). These strategic decisions affect every management decision from the type of services provided, the qualifications of staff, standards for services, accountability, and monitoring of programs and cost effectiveness. These changing expectations alter the roles and use of volunteers and may reduce the viability of effectively using volunteers for services (Herman 1994; Mason 1996). Non-profit organizations may also be becoming more aware of and active in advocacy-related

activities in an effort to seek or maintain funds and respond to devolution and privatization (Arsenault, 1998; Young, 1998; Smith and Lipsky, 1993).

In addition to the changes in advocacy, funding may also affect the alliance behavior of non-profit organizations. The increased significance of non-profit organizations participation in associations is addressed by Smith and Lipsky (1993), Ryan (1999), and Gronbjerg (1998). According to Gronbjerg (1998), non-profit statewide coalitions and major child welfare agencies are indispensable partners of public agencies—providing high quality, professional social services. The contractor dynamic is one of mutual dependence, shared goals, contractual relationships, and complex institutional relationships balanced by demand for payment for services and the need to advocate for services and clients.

The literature review addresses the work of Gray and Lowery, who promote a methodological framework for discussing organizational behavior, advocacy and alliance behavior. This review will also explain reasons for institutional membership in associations based on material, solidary and purposive benefits. The literature suggests that non-profit organizations are becoming more complex and sophisticated in response to changing public policy and funding trends that affect their organizational behavior regarding advocacy activities and membership in alliances and associations.

Instead of mission driving the development of the organization, funding drives the decision-making process (Rose-Ackerman, 1986). Non-profit organizations which contract with the state or federal government may be more likely to diversify their programming in search of additional funds or in response to funding availability. Mason

suggested that voluntary enterprises accumulate additional purposes in response to opportunities for additional resources (Mason, 1984, 29). Survival needs contribute to their share of additional programs and purposes as organizations justify their relationships and their very existence by seeking to fulfill additional community needs and attract additional funding. Mason noted that often the original purpose or official goals of the organization are left behind as more priority is given to new goals or new funding sources (Mason, 1984, 131).

According to Ryan (1999), Smith and Lipsky (1993) and Alexander (1998), “pragmatism is overtaking passion” in the management of organizations. The opportunities and obligations of government contracting have allowed some organizations to expand and incorporate other smaller non-profit organizations that may not have been able to compete in a changing environment. The opportunity for government contracts may encourage an organization to change course, expand its mission, add new services, or plan new programs to access available funding. According to some authors, “chasing the funding” may not be the wrong strategy if it allows some organizations to survive. At times, the availability of funding can be the impetus for an organization to respond to more pressing community needs (Powell and Clemens, 1998; Sandler and Hudson, 1998; Smith, 1996; Wolpert, 1993).

The fundamental hypothesis of the study is that organizational behavior of non-profits is affected by government funding in three areas: advocacy behavior, alliance membership and program diversification. Organizational behavior may also be directly

related to the organizational characteristics including staff size, budget size, age of organization and staff credentials.

The literature review in Chapter 2 addresses the public policies affecting government funding of non-profits, advocacy behavior and alliance behavior. The review will bring into focus the important areas of consideration in evaluating the dynamic relationship between non-profit organizations, types of funding and organizational behavior

Chapter 3 describes the model and outlines the steps in the development of the survey and the completion of the quantitative analysis. This study relies on data generated from a random and purposive sample of surveys distributed by the Louisiana Association of Non-profit Organizations (LANO) in the summer of 1997 and five case studies completed in 1999.

Chapter 4 reports the findings from the quantitative data analysis, and will corroborate the general theory suggesting a relationship between funding and organizational behavior.

Chapter 5 provides information on the five case studies selected based on the Smith and Lipsky typology of organizations: (1) those considered to be traditional, (2) those that are nontraditional, i.e., formed in response to funding opportunities and (3) those formed in response to an unmet community need. The addition of qualitative data analysis strengthens and enhances the findings of the quantitative analysis.

Chapter 6 elaborates on the significance of the study and discuss other avenues for research. The *a priori* belief is that government funding has led non-profit

organizations to become increasingly involved with advocacy activities to maintain and secure funding. In order to meet these advocacy needs, non-profit organizations may be joining associations in response to funding and regulatory changes. In addition, non-profit organizations may be diversifying programs in an effort to attract or maintain stable government funding.

The need for more substantive quantitative analysis is apparent to determine exact nature of the relationships and behavior of non-profit organizations which receive government funds. Bernstein (1991), Grayson and Tompkins (1984), Hammack and Young (1993) all based their analysis of the impact of contracting and policy changes on small subsector studies.

Hall in “Inventing the Non-profit Sector” (1992) suggests that the breadth of the non-profit sector and the increasingly complex relationships with government make it difficult to refer simply to the non-profit sector—because there is such a blurring of sectors. After several decades of changing expectations about the role of government in the provision of services, the non-profit sector has emerged as an engine of government services. Government contracting at the local, state, and federal level with the non-profit sector has created new linkages, relationships and obligations between the public and non-profit sectors that will be explored in this study.



## CHAPTER 2. LITERATURE REVIEW

The literature review begins with a discussion of the growth of the non-profit sector followed by a discussion of the public policies affecting the funding of non-profit organizations. Then the literature describing organizational issues, advocacy behavior and alliance behavior are reviewed. The literature review will highlight the significant authors and issues to be addressed in the study. First, the federal funding policies are addressed to frame the discussion of public funding of non-profit organizations.

The non-profit sector growth over the last thirty years is attributable to federal legislation providing support for Medicare and Medicaid, education grants, programs of support in housing, job training and other social welfare programs. From 1977 to 1994, the growth rate of the INDEPENDENT SECTOR was greatest between 1977 and 1982 and between 1987 and 1992.<sup>6</sup>

**Table 2.1 Percentage Share of Total Annual Funds by Source of Revenue**

Source	1977	1982	1987	1992
Private contributions	26.3	21.8	22.9	18.4
Private sector payments	37.5	38.7	40.8	39.1
<b>Government sector payments</b>	<b>26.6</b>	<b>28.1</b>	<b>27.9</b>	<b>31.3</b>
Other revenue	9.6	11.4	8.4	11.2
Total %	100	100	100	100

Source: Non-profit Almanac, 1998

Abramson and Salamon in *The Federal Budget and the Non-profit Sector* (1986) indicated that President Reagan deliberately minimized the relationship between government funding and the non-profit sector in an effort to justify his rhetoric about cutting government funding and encouraging the expansion of non-profit sector to

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<sup>6</sup> During the Reagan years, the sector grew at a slower rate that resulted from a round of budget cuts and the desire to reduce federal level involvement.

provide essential community resources. As of 1980, approximately \$40 billion or 25 percent of all government spending in the fields where non-profit organizations were active went directly to non-profit organizations (Abramson, 1997, 47). The government had actually become the largest funder of many organizations in the non-profit sector. With the expansion of federal funding of social programs came the conservative backlash of the Reagan era, which prompted significant cuts in social welfare spending and a retrenchment of programs and services.

In *The Non-profit Sector and the New Federal Budget*, Abramson and Salamon (1986), described the funding changes in the eighties. The conservative agenda of reducing government involvement so that non-profit organizations could respond to meet community needs stressed the non-profit sector and reduced the services available in many communities. The emphasis on community support of social services during the Reagan administration was intended to strengthen the community response to the major social problems facing the country. Unfortunately, the policies that were intended to promote volunteerism and philanthropy were not sufficient to counteract the funding cuts by government.

The almost mythical belief by the conservative White House that the non-profit sector through the efforts of the community-based non-profit organizations volunteers, and the good intentions of the citizens could replace the social service delivery system was not founded in reality. The interest of the Republicans in downsizing-government dramatically affected the social service delivery system for community based services.

In the updated study completed by Abramson, Salamon and Steuerle, "The Non-profit Sector and the Federal Budget: Recent History and Future Decisions," the authors demonstrate that the federal budget decisions affect the demand for non-profit services by increasing or decreasing the resources available from government for non-profit functions. Their summary from 1980-1997 demonstrates that the overall federal spending in program areas of interest to non-profits fell below FY 1980 levels during the early years of the Reagan administration, but has significantly recovered by 1997.

The efforts of the Bush administration and the Clinton administration have focused new attention on domestic spending for social service programs. In the last ten years, there has been a steady increase in federal funds in areas where non-profits are active. During the Clinton administration, the Department of Housing and Urban Development (HUD) has enjoyed a renaissance with increased funding for community development and faith based efforts that have directly benefited the non-profit sector.

Even though there have been increases in federal funding for community based services, the inclusion of Medicaid, Medicare and income assistance figures inflates the numbers significantly. These service areas for health care and public assistance continue to dominate the federal budget in areas where non-profits are active. The inflated figures can be somewhat misleading as to the actual health of the sector. The growth excluding Medicaid, Medicare and public assistance has not kept pace with the needs at the community level and is actually negative in real FY 1980 dollars. The following chart outlines the changes in government funding from 1980-1997.

**Table 2.2 Federal Spending in Program Areas Where Non-profits Are Active, (FY 1980-1997 By Year (In Billions of Constant FY 1998 Dollars))**

Fiscal Year	All Programs		Excluding Medicare and Medicaid, Change from FY 1980		Excluding Medicare and Medicaid and Income Assistance, Change from FY 1980		Federal Spending as % of GDP FY 1980 = 100
Fiscal Year	Outlays	Change from FY 1980	Amount	Percent	Amount	Percent	
1980	\$345.4						100
1982	339.1	-\$6.3	-\$25.9	-14	-\$26.9	-24	76
1983	342.5	-2.9	-25.7	-14	-31.6	-28	70
1984	345.6	+0.2	-27.1	-15	-31.8	-28	65
1985	365.2	+19.8	-20.9	-11	-27.6	-28	66
1986	363.0	+17.7	-23.0	-12	-30.0	-24	62
1987	361.7	+16.3	-26.2	-14	-32.6	-26	58
1988	371.7	+26.3	-19.8	-11	-30.6	-29	57
1989	382.3	+36.9	-16.1	-9	-29.1	-27	56
1990	402.1	+56.7	-8.4	-5	-25.1	-26	58
1991	426.9	+81.5	+8.7	+5	-17.9	-22	63
1992	464.0	+118.6	+24.4	+13	-13.6	-16	64
1993	488.7	+143.3	+38.5	+21	-8.6	-12	66
1994	514.9	+169.5	+51.6	+28	-5.9	-8	65
1995	537.3	+191.9	+59.6	+32	-4.1	-4	65
1996	543.5	+198.1	+56.4	+31	-6.1	-5	62
1997	554.1	+208.7	+59.0	+32	-4.6	-4	60
Total 1982- 1997	6,802.6	+1,276.4	+105.1	+4	-\$325.8	-18	63

One of the data problems at the national level is that no governmental or other tracking system follows the flow of funds to non-profit organizations. The analysis completed by Abramson, Salamon and Steuerle (1999) is the most comprehensive and indicates that the budget shifts in federal spending priorities had a significant effect on the need for services from non-profit organizations and on the federal funds available to help meet those needs.

In addition to funding changes, other policies affect the dynamic between the non-profit and public sectors. Devolution is the term used in the 1990's for what Richard Nixon and Ronald Reagan called New Federalism—the transfer of authority, responsibility and funds from the federal government to the states and then to local municipalities (DeVita, 1999, 214).

The devolution of funds for welfare and health care reform to the states may be the most significant domestic initiative of the Clinton administration. The implications for state and local government are immense as they redefine service delivery strategies and design time-limited programs that emphasize work first (Eisinger, 1998, 315). The devolution of welfare reform to the states in the form of block grants alters the mechanisms for the provision of services from only government-provided services to creating opportunities for “privatization or non-profitization” of services. The shift in funding and the potential for privatization with for-profit entities has created new threats and opportunities for non-profits.

Abramson, Salamon and Steuerle (1999) acknowledge the central role of government spending and tax policies in shaping the non-profit sector:

Government spending policies affect the levels of need in society and hence the extent of the problems that non-profit organizations might be called upon to address. Moreover, since government has become an important financier of non-profit activity, these same policies can enhance or circumscribe the ability of non-profits to respond to these needs. Government tax policies, in turn, affect the levels of private charitable support to which non-profits have access and thereby their ability to make up from private sources what they lose from governmental ones (Abramson, Salamon, Steuerle, 1999, 99).

The relationship between non-profit organizations and the government is changing as a result of the emphasis on downsizing government and shifting services and responsibility of services to the state and local levels through the public policy known as devolution. According to Abramson, Salamon and Steuerle, in FY 1997, more than 30 percent of the overall federal spending in programs of interest to non-profits was channeled through non-profits for delivery of services (Abramson, Salamon, Steuerle, 1999, 100).

Even though non-profit organizations have historically played the role of service providers for the public, competition with for-profit companies is becoming a serious threat. As government turns to the market to contract out for services that it hopes will be more efficient, less costly and more accountable, non-profits may be excluded from these opportunities because of for-profit competition (Boris, 1999, 22).

Young (1999) acknowledges that non-profits have served as privately supported supplementary service providers of public goods, as complementary partners with government in public service provision, and as advocates and adversaries in the process of public policy formulation and implementation. Young admits that the relationship between government and non-profits is complex and at times messy, with intertwining roles and responsibilities (Young, 1999, 32).

In the supplementary model, non-profits are fulfilling the role and demand for public goods that are unfilled by government. As government funds increase, voluntary donations do not need to increase to fill the gaps. In the complementary view, non-profits are seen as partners working with government to deliver public goods with public funds which help the non-profits. In the adversarial view, non-profits prod government to make changes in public policy and promote accountability to the public.

Young identifies the tension in the relationship by noting that government attempts to influence the behavior of non-profit organizations by regulating the services and responding to advocacy initiatives. These roles for non-profits are not mutually exclusive. Non-profits may finance services not funded by government, deliver services funded by government and advocate for changes in government policies and practices. Kramer (1981) observed that non-profits' reliance on public funds to deliver services did not necessarily constrain their advocacy activity (Young, 1999, 33).

Non-profit organizations designed to "express collective interests and solve community problems" have taken on a "new political role in representing the welfare state to its citizens, providing a buffer between state policy and service delivery" (Smith and Lipsky, 1993, 3). Smith and Lipsky (1993) and Smith (1999) reinforce the significance of the non-profit sector in the provision of services funded by government. The complex funding relationship between the non-profit sector and government has precipitated the professionalization of the non-profit sector and the rise of advocacy activities not merely for program recipients but for the agencies themselves.

One of the more comprehensive studies is *Partners in Public Service: Government and the Non-profit Sector in the American Welfare State* (Salamon, Musselwhite and DeVita, 1986). Salamon et al. (1986) suggested that the government and non-profit sectors are not inherently in conflict, but have joined forces in the pursuit of public objectives and service provision through increased contracting and funding relationships.

With changes in government funding, some subsector non-profits are disproportionately affected and unable to make-up lost revenue. This may result in changes of the client population or type of services to be provided by the organizations and either program contraction or expansion based on funding availability. Unfortunately, reliable data are not uniformly available on government contracting with non-profit organizations and direct government expenditures for similar services. One of the findings of the Salamon et al. (1986) study is that the geographic areas where government spending is highest is generally where the non-profit sector is most highly developed.

A connection between federal and state funding and the non-profit sector also exists. The federal government is the dominant source of funding for government social welfare programs, but state and local governments must provide match funding and program administration for these federal programs. In some states, non-profit organizations deliver about as many government-funded human services as the government. According to Salamon (1986), government budget cuts in the 1980's fell



particularly hard on non-profit organizations and have led to increased competition from for-profit providers.

In Gronbjerg's (1998) analysis, non-profits are influenced by the two major driving forces in American society: the dominance of market models and the scope and structure of public sector activities. In this discussion of government funding and non-profit organizational behavior, Gronbjerg acknowledges that non-profits have vested interests in the scope and structure of public sector activities. Accordingly, non-profits act to protect those interests and engage in interest group politics: "Where they come to share in the delivery of public goods, their political interests become especially well focused and their relations with the public sector institutionalized and difficult to restructure" (Gronbjerg, 1998, 137).

Gronbjerg (1998) outlines the practical reasons why non-profit organizations need to be involved with advocacy activities:

The types of operational practices that public funding encourages in or imposes on the non-profit partners affects the organizations' response to public policy challenges. The receipt of public funding by non-profit social service agencies means that they must track the fallout from budget negotiations and shifting priorities up and down the paths of governmental transfers. They must adhere to rules and regulations that limit internal management discretion, meet work intensive reporting requirements, and survive cost control and cost sharing. They must overcome built in proclivities toward fragmentation and the ad hoc planning associated with managing multiple contracts with idiosyncratic requirements and timetables. Finally, they must weigh the opportunity costs associated with pursuing alternative funding sources. In return for accepting these contingencies, non-profit social service agencies obtain sizable dependable funding (1998, 145).

Unfortunately, with the increasing funding, programmatic complexities and expectations of government funders, for-profit organizations see new financial

opportunities in what has historically been seen as the realm of non-profit organizations. Non-profit organizations must respond to the changing expectations for service delivery. government funding and increased accountability in order to be competitive and sustainable: “Non-profits are pulled between the logics of business, public good, democracy and the state. Non-profit organizations are increasingly governed by business norms and state regulations along with models of charity and democracy”(Alexander 1998, 287).

According to Levine (1998), many of the classic non-profits have, de facto, become quasi-governmental entities. Their income base is essentially limited to government. The blurring of the lines between the sectors has significant consequences for constituencies, modes of operation and the philosophies of a three sector approach or the lack thereof. This merging of sectors and expectations may not ensure the best features of any sector are preserved (Demone, 1998, 236). Kramer (1994) refers to the mutual interpenetration and dependence of the sectors as third-party government, indirect public administration, the contract state, non-profit federalism or the new or mixed economy of welfare (Demone, 1998).

Goldberg suggests that significant cutbacks in government support could have crushing effects on social service agencies, even to the point of agencies being forced to cease operations (1997, 87). With the trends toward privatization of public services and the interest in devolution of decision-making to the state and local level, changes in funding and decision-making have created what some for-profit organizations see as

business opportunities in direct competition with non-profit organizations for state contracts.

Many scholars attempt to capture the role, value and viability of the non-profit sector in terms of the for-profit market. The efforts of non-profits are often described as either the result of 'market failure' or 'contract failure' in that non-profits provide services that can not or are not provided by for-profit entities because of lack of demand or high cost of production (Gronbjerg, 1998, 139).

In order to understand the *Non-profit Functions in A Market Economy*, Gronbjerg discusses the implications for the market:

[T]he economic theories of non-profit organizations (Hansmann 1980, 1987; Rose-Ackerman 1986; Weisbrod 1975, 1977, 1988) usually imply that non-profits fulfill narrow but important functions in compensating for imperfections in standard market relationships in which informed customers shop for the best bargain and producers seek the largest profit. Non-profits solve two kinds of problems in these relationships: market failure and contract failure. Market failure occurs when demands for a product or service are so low or thin that private firms cannot generate sufficiently high profits to stay in business by meeting the demand. Because non-profits have access to private donations and are exempt from certain taxes and fees, they can subsidize service activities or products and still meet operating costs in the case of low demand. (Gronbjerg, 1998, 138).

According to Gronbjerg, contract failure occurs when the customer does not have sufficient information to evaluate the quality or competitive value of goods and services available in the marketplace. Market transactions occur in situations of "asymmetric information" that impede the free operation of market forces. Given the concerns about market or product information, the general perception is that non-profits are more likely to offer high quality services than to take advantage of consumers, a complaint often made about for-profit entities (Gronbjerg, 1998, 138).

In terms of privatization, Weisbrod (1998) describes the forces increasing attention to non-profits as the apparent decline in confidence in government and an accelerated search for alternatives. For Weisbrod's study, privatization and purchase of services (POS) are used to explain a governmental policy of seeking non-governmental providers of services which can be paid by contract, grant or fee for service. Weisbrod reports that privatization of social services is a powerful worldwide force today, but there is little attention paid by government decision-makers or researchers to the merits and demerits of divestiture to private business firms relative to private non-profit organizations. The practice of privatization is being scrutinized by government and the for-profit sector in terms of costs and responsiveness to governmental oversight, not necessarily responsiveness to community need or quality of services.

The emphasis on privatization is being driven by devolution and national policy changes to shift power and authority to state and local levels. In *State Devolution in America: Implications for a Diverse Society* (1997), Staeheli, Kodras and Flint delineate three restructuring strategies: devolution, privatization and the dismantling of service systems that focus on the changing expectations of interpretations of federalism.

The Balanced Budget Act of 1997 heralded the "devolution revolution," which would promote the efficiency of government by substituting block grants for matching entitlements and providing greater flexibility for states in implementing a grants and contracting process for additional services and review of the current provision of services with an eye to accountability and efficiency. Devolution is most keenly seen as the shift of power and decision-making to the forms of government closest to the citizens. The

shifting of power and money to states has led to some service delivery changes in government funded services and the reduction of formula-funded services.

From the non-profit perspective, the increase in government contracting with non-profit organizations is the optimal goal in order to provide funding for organizations and high quality services for clients. In many instances, the national and state governments have increased the provision of service delivery through non-profit organizations as a result of policy and program changes and pressure from local advocates to provide more community based services. In efforts to reduce bureaucracy, limit costs and improve service delivery, contracting with non-profit organizations has been seen as an appropriate policy change to meet these objectives.

Gronbjerg in *Markets, Politics and Charity* (1998) outlines relations with the public sector payments structure of public spending: income insurance or direct payments to individuals, means tested income assistance or vouchers for purchase of services, and public subsidies to private providers in the forms of grants or contracts. According to Gronbjerg, the “contract system not only supports market goals of efficiency by forcing the public sector to exploit nonpublic infrastructures, but obviates the need for expansion or creation of public infrastructures at taxpayer expense, activities presumed to be mismanaged or operated inefficiently” (1998, 144).

Even given some of the concerns regarding outsourcing, the non-profit sector has materially benefited from the contract system. According to Gronbjerg, the contracting system has actually helped to structure the non-profit sector:

[The contracting system] provides non-profits with revenues and gives them a culturally approved role to play, but also simplifies management

tasks. It reduces the need for non-profits to compete for and satisfy, in the case of social agencies, a large number of individual clients with fickle interests. Instead, non-profits with public contracts must satisfy only a limited number of funders, over whom they obtain substantial levels of funding, secure for the duration of the contract (Gronbjerg 1998, 144).

Therefore, non-profits which have secure public funding become more sustainable. The dependence is mutual as public agencies depend on non-profits to enhance and provide social services and non-profits depend on public funding for social service organizations.

The spending structure is strengthened by the dynamics under which public-non-profit resource relationships play themselves out in the social policy arena. Once the public grants or contract funding system is established, public agencies purchase more than service capacities and access to infrastructures and non-profits obtain more than revenues. The relationship comes to involve the exchange of legitimacy, knowledge and influence (Saidel 1991, Gronbjerg 1998). The result is a self-reinforcing process in which non-profit social service agencies develop complex inter-organizational relations with public sector agencies (Gronbjerg, 1998, 147).

These complex relationships involving funding and service delivery change the behavior of non-profit organizations in subtle and sometimes substantive ways.

Devolution is seen by some non-profits as an opportunity and as a threat by others because of the potential restructuring of service delivery strategies and the perceived influx of for-profit entities into the social service arena. Large for-profit firms have the capacity to respond to new program opportunities at the state level. Ryan in "The New Landscape For Non-profits," (1999), reports on the threats that for-profit firms pose for non-profits. No longer are non-profits seen as entitled to be the social service providers.

According to Ryan, for-profit firms have the size, capital, mobility and responsiveness to seek and acquire large statewide service delivery contracts. Ryan cites many examples of for-profits, such as Lockheed Martin, which bring the sophistication, capital and technology to the contracting equation and are rapidly gaining ground in the social service arena.

The demands of government, the expectations of clients and the potential threat of the for-profit sector all contribute to the changing dynamics of the non-profit sector. Non-profit organizations are being compelled to evaluate their missions and operations in an effort to be competitive with for-profit firms and responsive to funding opportunities. The blurring lines between the sectors could dramatically affect the values and operations of each sector. In addition to financial pressure, the increased expectation of government for measurable outcomes and accountability is changing the priorities of the non-profit sector as well.

Whereas non-profit organizations may have historically served all who entered their doors, with strict performance expectations, non-profits may become more selective or exclusive in their services in order to fulfill contractual targets. According to Ryan, if non-profits are competing with for-profits on performance-based contracts which focus on productivity and results, the concern is that non-profits will be forced to reconfigure their operations in ways which could compromise their missions. In the past, non-profits might have augmented their programs with other philanthropic funds and served a broader spectrum of clients, but now are limiting the scope and access to services based on funding source and contract requirements.

The increased attention to accountability in contracting has direct programmatic implications for non-profit organizations. Higher overhead costs, better accounting, monitoring and contract compliance are all costs of doing business with government. The expectation of higher quality services is admirable, but whether services are actually more effective in helping the agencies' clients remains a source of debate (Smith, 1999, 190; Glazer, 1989; Schambra, 1997). Non-profits must meet the expectations of government contracting to maintain programs and funding.

In *Government and the Third Sector*, Gidron, Kramer and Salamon attempt to dispel the notion that government and the non-profit sectors are competitors. The authors describe the paradigm of competition as follows:

Simply put, this paradigm portrays the relationship between government and the non-profit sector in terms that are close to what economists call a zero-sum game—a competitive relationship in which one actor's gains are another's loss. The prevailing rhetoric thus posits a conflict between the non-profit sector and the state (1992, 5).

The authors do not conceptualize the relationship between non-profits and government as adversarial but as complementary. The stereotype of government as bureaucratic and oppressive and the voluntary sector as innovative, flexible, responsive and humane may be too simplistic, so the authors posit that a more reciprocal and intertwined relationship exists.

Government has historically been both the funder and the provider of services. The relationship between the sources of funding and the provision of services and the inherent expectations for services from the public creates the tension between the sectors. According to Gidron et al.(1992), a further complication in characterizing the



relations of government and non-profits arises from different levels of analysis at the local, state, and national levels. Non-profits have service functions, social functions, and representational functions; government has financing, regulatory and service functions. "Third sector organizations are often in the position of having to bite the hand that feeds them, attacking government agencies on which they are dependent for financial support" (Gidron et. al, 1992,11).

The issue of privatization is central to understanding some of the changing policies at the federal and state levels. According to Paul Starr (1989), "privatization came to mean two things: (1) any shift in activities or functions from the state to the private sector, and (2) any shift from public to private sector of the production of goods and services" (Kamerman and Kahn, 1989, 22). The discussion of privatization could be broadened to include the increasing role of for-profit entities contracting with the government to provide services. In Starr's discussion, privatization means a devolution from the state to ostensibly nonpolitical and noncommercial forms of human association.

A third perspective sees privatization as a political strategy for diverting demands away from the state and thereby reducing government overload (Kamerman and Kahn, 1989, 22). According to Starr (1989), many see privatization as a means of fine-tuning a three sector economy:

The ongoing theoretical debate regarding the non-profit sector deals with this three sector relationship: government, the market and the non-profit sectors. Burton Weisbrod (1977) continues to focus on market and government failure as the prevailing reasons for the existence and emergence of the non-profit sector. Weisbrod makes the case for public sector interest in broad service delivery systems where services are demanded by a broad constituency. He indicates that often non-profits have to begin by providing services to a narrow clientele and when the

demand expands sufficiently, the program is transferred to the public domain (Kamerman and Kahn, 1989, 56).

Weisbrod (1986) and Rein (1983) make the case for the blurring of lines between the public and non-profit sectors. Rein identifies three tools of government used in allocating resources to the non-profit sector: 1) direct grants to organizations, 2) subcontracting, and 3) reimbursement to individuals for purchase of services. In addition, non-profit organizations receiving public funds are obligated to meet required accountability standards, service provision benchmarks, and reporting and documentation requirements. This reciprocal reliance on public funds and non-profit accountability leads to a blurring of the lines between the sectors (Kamerman and Kahn, 1989, 57). The regulatory role of the public sector provides a heavy counterweight to the flexibility of the non-profit sector.

Wolpert (1993) suggests that the partnership between the non-profit sector and the government sector has been accepted by the public and that the increase in the charitable sector can be attributed to greater revenues from government contracts, grants and increased fees for services. Wolpert further suggests that non-profits have lost some of their independence and become more agents of the state and their corporate and foundation sponsors (Wolpert 1993).

The “contracting regime” has altered the nature of the relationship of non-profits and government, shifted priorities, limited access, created new intermediaries, reduced services, and created more specialization and diversification in service delivery. Non-profit organizations have gained powers for selection, admission, treatment, and

outcomes which have rested with government. Non-profit organizations have become advocates not for their clients, but for their own organizations' viability:

If we turn to the obligations of citizens to the state, the contracting regime poses additional issues. Political scientists have puzzled for some time about the apparent increase in participation in single-interest politics at the same time that electoral participation is declining and American political parties are in disarray. It would seem that as the electoral system appears unable adequately to incorporate citizen concerns, people turn to interest groups, community activities, and social movements to articulate their collective interests. The move to privatization may exacerbate this trend (Smith and Lipsky 1993, 210).

According to the Smith and Lipsky analysis, non-profit organizations are changing to meet the demands of government oversight of the contracting regime. Smith and Lipsky speculate that non-profit organizations are becoming more professional. Power is shifting from voluntary boards to more highly trained professional executive directors who are more responsive to funding and regulatory relationships with the state. Rather than passionate committed advocates for an issue, executive directors are now more highly trained astute financial managers.

According to their study in Massachusetts, many directors shift over from the public sector to work with non-profits. Government expectations for professional management of non-profit organizations who contract with the state have altered the management dynamic and the perception of non-profit organizations in the community. More highly trained and highly paid executives may not share the same compassion and commitment that community volunteers, client advocates, and families generally demonstrate.

The opportunities and obligations of government contracting have allowed some organizations to expand and incorporate other smaller non-profit organizations who may not have been able to compete in a changing environment. The opportunity for state contracts may encourage an organization to change course, expand its mission, add new services, or plan new programs to access available funding.

The Smith and Lipsky (1993) analysis referred to Seymour Martin Lipset, who called attention to these internal changes in organizations which significantly alter the representation of the community. Lipset argued that, “the internal organizational democracy and conflict within voluntary organizations may promote cohesion and solidarity in the larger society” (Smith and Lipsky, 1993, 92). The emphasis on contracting changes the dynamics of the organization, which may lead to changes or expansion in the mission of the organization, and may alter the composition and relationships of the board of directors. These changes in organizational operation and oversight may in turn alter the organization’s public role and community support. As organizations attempt to respond to the opportunities of the contracting regime, they may actually become more responsive to community needs and priorities (Smith and Lipsky, 1993, 92).

According to Smith and Lipsky’s analysis, funding affects organizational behavior:

Government funding of non-profit agencies may indirectly strengthen ties between the board, the agency and the community in another way. Government funding politicizes the relationship between non-profit agencies and government: agencies usually want to keep their contracts and often will lobby government administrators, legislators, and others if necessary. Federal cutbacks and the greater competition for public and

private funds have, if anything encouraged non-profit agencies to be even more aggressive politically (1993, 93).

With government contracts come new levels of sophistication in record keeping, contract and financial management and increases in the administrative demands on organizations.

Strategic decisions affect types of services provided, the qualifications of staff, standards for services, accountability, and monitoring of programs and cost effectiveness. These changing expectations alter the roles and use of volunteers and in fact may reduce the viability of effectively using volunteers for services. Non-profit organizations become the front line for services and their staff become “street level bureaucrats.” In many instances, non-profit organizations are now providing mediating functions for citizens as they negotiate their needs for public services and becoming a buffer between citizens and the state (Smith and Lipsky, 1993, 119).

The prediction by Smith and Lipsky is that the coming public policy changes of more regulation and less money will reduce the viability of smaller organizations and encourage the development/consolidation of agencies into larger multi-service organizations dominated by contract services. The ramifications of this vision are fewer choices for services, higher costs, and the growth of a non-profit bureaucracy. Only well-organized and well-funded entities will be sustained given the vagaries of cash flows and contracts and the inherent operational issues of changing costs, regulations, and standards.

One of the repercussions of the potential conflict between funding and advocacy could be the limiting of advocacy efforts of some non-profit organizations. In a time of heightened competition from for-profit organizations, non-profits must be even more

interested in tracking and monitoring government contracting. Ryan (1999) suggested that there is potential disparity in service quality between non-profit and for-profit contractors because of the difference in motives and methods. Ryan cited examples of abuses in for-profit juvenile detention centers and psychiatric hospitals in Louisiana. Ryan acknowledged that designing and enforcing contracts that promote efficient services while protecting the individual client's need for high quality and humane services is challenging to contract administrators. Ryan concluded that "the job of lobbying for better government funding, staffing and enforcement—and the design of standards that will protect client's interests is by nature a non-profit job. If non-profits are consumed by the challenges of becoming competitive providers, that job may be in jeopardy" (1999, 136).

Demone in *The Political Future of Privatization*, (1998) develops the idea that one major concern has to do with the diminution of the non-profits' capacity to act as advocates for their clients in an environment when the very public agency funding the vendor is the one that should be criticized. The INDEPENDENT SECTOR and other national non-profit groups have outlined the challenges to non-profits advocacy rights from the Istook amendment and other efforts to limit the non-profit sector's advocacy efforts.

Rep. Ernest Istook, R-OK, is one of the leading proponents in Congress of limiting the advocacy rights of non-profit organizations. Istook's concern seems to stem from the perception that tax exempt organizations have special privileges and therefore a special relationship with government. In the last four years, Istook has attempted to

amend several pieces of legislation to redefine non-profit organizations and narrow the definition of charities to merely organizations with a public benefit purpose such as serving the poor, homeless or disenfranchised.

Istook has also attempted to limit the rights of non-profit organizations to testify and advocate for issues and legislation before Congress. In late 1996, the “Truth in Testimony” legislation was passed in an effort to require non-profit organizations testifying before Congress to disclose the number and dollar value of any government contracts. Istook’s concerns seem to be based on the increasingly complex nature of the relationships between government and the non-profit sector.

In the 1999, appropriations debate in Congress U.S. Senator Kit Bond (R-Missouri) attempted to add riders to the HUD appropriation bill to limit non-profit advocacy for organizations receiving federal funds. The riders were stripped from the legislation, but the threat continues to exist that a non-profit’s advocacy rights will be further limited. The limitations on advocacy by organizations which receive government funds could have a chilling effect on the level of debate. Demone (1998) suggested that the conservative position is that the organizations most able to offer constructive advice should not be criticizing the hand that feeds them.

The expectations for service delivery may directly affect the advocacy and alliance activities of organizations. One of the key activities of non-profit associations is advocacy on behalf of members and the non-profit sector. Non-profit organizations, their executives, staff, and board may engage in political and electoral activities to protect the vested interests of the organization. With jobs and services on the line, non-

profit organizations have a powerful incentive to build effective relationships with agency staff and department heads as well as elected officials. Some organizations make the decision not to be politically active or not to receive public funds and remain funded by other philanthropic sources or through fees for services. For those agencies who do receive public funding, there is no alternative to involvement in advocacy and lobbying activities if the organization is to survive and thrive.

Advocacy has become a common activity for many non-profits who rely on government funding. The advocacy efforts may be in the form of consistent contact with key department heads, administration officials, or state legislators to insure that policies or legislation enacted will not adversely affect the operation of the organization or the maintenance of funding levels. In addition to direct contacts with public officials, organizations seek to have board members serve on policy advisory committees, or special commissions which may be established. Many smaller or more marginal non-profits do not have the luxury of time and resources to lobby extensively; these organizations are focused on keeping the doors open.

The government regulates the advocacy activities of 501(c)(3) non-profit organizations by prohibiting these organizations from spending more than 25% of their budgets on political activity. Non-profit organizations can advocate for or against legislation, and meet with governmental officials and elected officials, but they can not participate in partisan politics or endorse candidates. Federal tax law outlines the limitations on non-profit organizations activities in grassroots and direct lobbying, expenditure limits and reporting requirements.



Unfortunately, many non-profit organizations are not familiar with the law and assume that they cannot be involved in advocacy activities. Membership in associations of non-profits provides one means for organizations to be informed about public policy changes and participate in advocacy activities.

Smith and Lipsky posit that as non-profits become clients of government, they also become more active in the political process not only as sellers of services but as political players. Successful non-profit organizations have developed the support of influential citizens and elected officials, created a recognizable public awareness of the agency and collaborated with government on policy and program development and implementation; they are seen as exemplary service providers. Non-profit agencies must maintain a positive relationship with government to insure their continued funding, even though they can “mobilize political support to fight unfavorable decisions. The result is a complex relationship of “unbalanced reciprocity.” Government and non-profit contractors may be interdependent, but government dominates the relationship” (Smith and Lipsky, 1993, 172).

According to De Vita, “if a key tenet of devolution is to decentralize decision-making then monitoring who participates in the political process and how voices are heard will be an important part of assessing policy-making under devolution. Access to the political process and effective communication between the non-profit sector and various levels of government will be essential components in assessing how effectively welfare reform is implemented” (De Vita 1999, 230). Government seems to want to manage, regulate, and limit the activities of non-profit organizations while

simultaneously raising expectations and lowering funding. According to Young, legislators are taking interest in the advocacy behavior of non-profits:

While extolling the virtues of private, charitable initiative, many legislators seem more willing now both to challenge the tax exemptions of non-profit organizations and to limit the voice of non-profits in the policy arena. Thus, while reducing its own resource commitments to social needs, government appears also to be hampering the ability of non-profits to function successfully, both in raising their own resources and speaking out for those who may be ill-served under a new regime of government responsibility (Young, 1999, 63).

Non-profit organizations may sense that they are compelled to engage in political activities to ensure their survival. In addition to maintaining their contracts, agencies also are advocates for their clients.

The increased emphasis on contracting has promoted the collective identity of non-profit service agencies and has led to the creation of statewide associations to lobby on behalf of the members. According to Smith and Lipsky, non-profits and government officials may be complicit in lobbying for policy and program changes. The public sector employees are unable to advocate and may rely on their non-profit counterparts to push for additional program funds or policy changes. Heclo (1977) referred to similar relationships as the "Iron Triangle" describing the relationships between interest groups, committees and elected officials at the congressional level. According to Reid in "Non-profit Advocacy and Political Participation," "politically active non-profits contribute to democratic governance by representing civic concerns in policy-making, by enlarging opportunities for citizen participation in public decisions, and by creating accountability between government and citizens (Reid, 1999, 293).

In "Transforming Public Services: Contracting for Social and Health Services in the U.S.," Smith (1998) elaborated on the complexity of the relationships between non-profit contractors and their funding sources, citizen groups, the legislature, the executive branch and other public agencies and private service providers as private foundations. While the government purchasing agent may deal primarily with the non-profit provider, it is also subject to a variety of political pressures from elsewhere in government and the private sector (Smith, 1998, 115).

According to Smith, associations are fostered by government:

To build their political base and increase their chances of legislative success, government officials will directly or indirectly create political associations of contract agencies. Government sponsorship of interest group formation has been a general trend in American politics in the last twenty years (Walker 1991; Salisbury 1990). In response to contracting, many private service providers have banded together to form political associations to further their concerns. Government purchasing agencies sometimes provide seed money for the establishment of these political associations because they are important political assets. Federal and state purchasing agencies are typically barred from lobbying legislators. By contrast, these associations can lobby legislators directly for more money or new contract programs (Smith, 1998, 119).

In addition, Smith lists the various means for state agencies to support non-profits through research grants, technical assistance, convenings, other funding and participation in policy discussions and formulation of government regulations.

Contracting non-profit organizations develop strategies to pursue funding and maintain existing contracts by establishing relationships with the executive branch and administrative departments and key legislators. According to Smith, many non-profit organizations join collaborations and associations in order to successfully advocate for

funding. An obvious goal of provider political advocacy may be generating more

funding. Smith further clarifies the relationships of non-profits in associations:

State associations representing providers help to overcome the problems of individual agency advocacy...statewide associations representing service providers are complex, somewhat fragile political organizations. To an extent, these associations represent the exploitation of the strong by the weak or in some instances the exploitation of the weak by the strong. The large providers might look like special interests if they approached legislators, bureaucrats or political executives directly. A membership organization can lobby for many of the same goals and appear to be more legitimate and representative (Smith, 1998, 123-124).

Smith and Lipsky state, " it is virtually a law of public policy that every new program generates organized recipient groups to protect and extend it" (1993, 177).

Therefore, it is no surprise that non-profit organizations have formed associations at the national, state, and service sector levels. National associations provide information about changes in Congress, policy development in the federal departments, and the availability of funding and grant opportunities. These organizations also notify their members when there is a need to generate grassroots responses and lobbying efforts.

The state associations of non-profits are being formed in response to the growth of contracting, the decentralization of many federal programs to the states, the rise of state funding for services and the need for information, coordination, advocacy, and technical assistance. One of the areas of inquiry in this study is the motivations of non-profit organizations to join collaborations, coalitions and associations and the nature of the behavior of these associations as interest groups.

According to Berry, a public interest group is one that seeks a collective good, the achievement of which does not selectively or materially benefit the membership or activists of the organization (1986). Non-profit groups are often considered public interest groups. The debate about interest groups focuses on the equation of motivation, expected outcome, group size, membership, benefits and costs.

According to Olson (1971), only a separate incentive will stimulate a rational individual in a latent group to act in a group-oriented way. Special interest groups that provide lobbying and other services are more successful when membership is compulsory or when there are sufficient incentives in noncollective benefits to warrant membership and support. Olson concludes that large unorganized groups are not effective, do not organize, have no galvanizing structure, offer no benefits and provide no services. A large group with a common interest is insufficient. Only when groups are small or when they are fortunate enough to have an independent source of selective incentives will they organize or act to achieve their objectives.

McCann explains that political theorists think Olson's underlying assumptions and analysis about human motivations are too narrow, simple and static. Some critics have protested that the "rational actor" model is too cynical and pessimistic and presumes that individuals are only motivated by economic gain. McCann refers to Clark and Wilson's 1961 article about incentive systems in organizations which emphasized the importance of intangible, solidary and purposive benefits as well as material incentives to formal group membership. The Clark and Wilson typology has been generally adopted in the field of political science (Walker, 1991, 85).

The exchange theory offered by Salisbury describes the relationship between an entrepreneur and a consumer and focuses on the efforts of the “entrepreneurs” motivated by individual “profits” (prestige, salary) to develop those material, purposive, and solidary benefits which are sufficient to attract a public following. Moe emphasizes the political character of purposive incentives such as a sense of personal efficacy, ideological advancement, and information access which draws citizens to join large membership organizations (McCann, 1986, 175).

Walker suggests that groups are compelled to offer a mix of benefits in an effort to attract members. Walker’s finding that purposive or collective benefits consistently receive high rankings by all types of groups and are more important than personal material benefits or solidary benefits is different from Olson’s findings. According to Walker, Olson’s by-product theory of benefit provisions asserts that interest groups able to engage in the pursuit of collective goals will be those ‘that obtain their strength and support because they perform some function in addition to lobbying for collective goods (Olson 1965, 132).

Berry in *Lobbying for the People: The Political Behavior of Public Interest Groups*, asks about the process that leads to the establishment of an organization from a particular constituency (1977, 18). According to Berry, there are two theories of group origin: David Truman’s disturbance theory and Robert Salisbury’s exchange theory.

The key to David Truman’s theory is that people are stimulated to organize because they undergo a disturbance that alters their relationship with other groups or institutions. A disturbance is some force that changes the equilibrium of the group with

other elements of society. The purpose of forming an interest group or association is to overcome these disadvantageous forces and to stabilize relations so that a new equilibrium may be reached (Berry, 1977, 20).

In determining whether the event or disturbance is important, Salisbury feels that exchange theory postulates that individuals enter into interpersonal relationships because they derive some type of benefit from the relationship or exchange. The political entrepreneur must make potential members aware of any of the benefits they may receive by joining the organization: 1) Material benefits—tangible benefits, 2) Solidary benefits—friendship, social, 3) Purposive benefits—ideological satisfaction.

Lobbying as a by-product is Olson's intriguing theory of why people become sustaining members of interest groups. It is only rational for an individual to join an interest group if he or she receives a separate and selective incentive. There must be some benefit that accrues to the individual only if he or she is an official member of the group (Berry, 1977, 37). People join because of selective benefits or services and lobbying is a by-product. According to Berry's study, philanthropic public interest groups do not offer tangible organizational benefits sufficient to prompt membership. Solidary benefits are also not found to be significant. Berry concludes that purposive incentives or benefits are the most crucial type of inducement for public interest group membership (Berry, 1977, 42).

Gray and Lowery take the behavioral ecology approach to studying lobbying alliances and characterize activities in terms of foraging behavior. With this construct there are environmental constraints such as the distribution of critical resources,

defendability of resources, intensity of predator pressure, and the intensity and nature of intraspecific competition. The Gray and Lowery hypotheses about resource competition and predators are very illuminating in terms of 1) difficulty in securing the resource and 2) distribution of the resource—dispersed vs. clumped.

Their study of six states, Arkansas, South Dakota, Pennsylvania, North Carolina, Michigan, and Minnesota analyzed three types of organizations: associations, membership groups and institutions. The alliance activity and intra-species differences such as strength of individuals and lost opportunity led to discussions of issues in organizational alliance behavior. These issues are working alone, policy niches and alliance behavior. Their findings suggest that opposition increases alliance behavior. Lobbying for large or intractable policies should enhance reliance on alliances. In their study, the dependent variable is the intensity of alliance activity. Their construct suggests that organized interests may increase and hunting alone may decrease if there is sufficient opposition to encourage flock behavior.

In order to address the theory of alliances modeled in the Lowery and Gray study, the following questions were included in the survey for this study: “In conducting your lobbying activity with the state legislature, how often do you consult, communicate, or cooperate with other organizations sharing your goals and also engaged in lobbying the state legislature?” “In lobbying the state legislature, how often do you find yourself in direct competition with other organizations opposed to your position?” The findings by Gray and Lowery most relevant for this discussion of non-profits in Louisiana are about the forces of government in altering the interest group environment:



Our analysis suggests that the explosion of state interest organizations since 1975 likely resulted from economic driven changes in the relative mix of constituent numbers, declining interest certainty associated with increased party competition, and increasing constituent interest arising from fiscal scarcity (Hrebener and Thomas 1992, 13). Expansion of interest populations was likely influenced as well by Reagan era devolution of responsibilities from the federal government to the states, which further accentuated policy uncertainty (1995, 25).

Gray and Lowery in "A Niche Theory of Interest Representation,"

examine the patterns of the development of interest groups and the resource dimensions creating the context for the group. Gray and Lowery have identified five resource sets that are requirements for a viable interest group niche:

1. Organizations must have members. (Lowery and Gray, 1995)
2. Organizations must have access to selective benefits in order to mobilize potential members. (Olson, 1965, Moe, 1980)
3. Interest groups must have sufficient finances to maintain their organizations internally. (Walker, 1983)
4. Organizations must have some access to the policy making process on issues of concern to it. (Browne, 1990)
5. There must be authoritative action or proposed action by government of concern to the organization. Without something to lobby for, legitimizing lobbying activity is difficult. (Salisbury, 1994)

As mentioned previously, Lowery and Gray are also interested in competition for limited resources and the potential conflict between organizations which might lead to partitioning of interest groups. This suggests that interest group niches and thus the structure of interest group communities are more strongly determined by the internal

needs of organized interests than by their patterns and interface with government (1996, 109).

Hojnacki in "Interest Groups Decisions to Join Alliances or Work Alone" examines why and when organized interests join coalitions. Hojnacki attempts to outline the factors which influence the decision to join an alliance: issue context, allies, autonomy and character. According to Hojnacki's assumptions, groups representing social or public interests would be more inclined to engage in allied activity because they generally must work harder to raise funds, maintain the support of a relatively amorphous clientele and keep the public and decision makers focused on their concerns (Hojnacki, 1997, 70). Hojnacki refers to these groups as expressive groups and suggests that there is a tendency to work in groups or coalitions to leverage resources, contacts, and expertise. The activity of similar groups seems to be an important indicator in the decision to work together. Hojnacki's analysis suggests that certain types of organizations are more likely to join in collective advocacy. The groups with more experience as allies and expressive groups tend to join coalitions more regularly because they need the broader support for their causes.

Non-profit organizations may participate in a variety of interest-group-like behavior from participation in coalitions, alliances and associations. The interest in participation in non-profit associations seems to be better documented than the broader discussion of transitory coalitions, alliances and collaborations. The experience of the development of non-profit associations substantiates the viability of interest group niche scenario for non-profit organizations.

One of the key activities of non-profit associations is advocacy on behalf of members and the non-profit sector. Non-profit organizations, their executives, staff, and board may engage in political and electoral activities to protect the vested interests of the organization. With jobs and services on the line, non-profit organizations have a powerful incentive to build effective relationships with agency staff and department heads as well as elected officials. Some organizations make the decision not to be politically active or not to receive public funds and remain funded by other philanthropic sources or through fees for services. For those agencies who do receive public funding, there is no alternative to involvement in advocacy and lobbying activities if the organization is to prosper.

Given the threats to the non-profit sector of reduced funding, block grants, taxes, and other public policy changes, non-profit organizations need to be knowledgeable about lobbying and actively engaged in promoting and protecting the sector. Walker evaluates the political tactics used in advocacy by groups. Walker and Gais suggest that a group's advocacy strategies are generally made early in the life of the organization and stable over time. According to Walker and Gais, "this stability grows out of the strong roots of these strategic choices, which are intertwined with the group's constituency and resources, as well as with crucial aspects of its political environment" (Walker, 1991, 103).

One of the most important factors determining the level of political activity by interest groups is the amount of conflict they experience in their immediate environment. Walker refers to Schattschneider's study in 1960 on how private conflicts lead to group

politicization. Truman in *The Governmental Process* (1971) also discusses the implications of conflict on advocacy activities of organizations.

Walker refers to internal activities such as legislative lobbying and external advocacy strategies such as public education campaigns. The choice and mix of advocacy strategies is dependent on political environment, organizational resources, the character of the group's membership, and the nature of financial support. Walker notes that non-profit organizations and professionals in non-profit organizations are often closely related to government agencies operating in their policy areas:

For the most part, the desires of their members to protect their professional standing and the requirements of organizational maintenance arising from their close associations with federal agencies encourage groups with members from the non-profit sector to avoid controversy and seek influence through inside political strategies (Walker, 1991, 106).

The goal of this study is to understand how organizational characteristics and funding affect the organizational behavior of non-profit organizations as determined by the dependent variables—advocacy behavior, alliance behavior and diversity of programs. Alliance behavior is broadly defined in the data analysis as participation in coalitions, collaborations, associations and alliances. The results of this study will provide empirical evidence about organizational behavior in non-profit organizations in Louisiana.

### **CHAPTER 3. RESEARCH DESIGN: MODEL, METHODS AND DATA**

This dissertation's purpose is to add to the body of knowledge about the effect of government funding on non-profit organizational behavior. By expanding the understanding of the relationships between organizational characteristics and funding that affect non-profit advocacy, association/alliance behavior and program diversification, this study advances the knowledge base about the relationship between government and non-profit organizations.<sup>7</sup>

This chapter begins with a description of the limitations of previous research and establishes the significance of this study. The research design, the conceptual framework, and the development of the survey will be outlined. Then, the specification of the model and the definition of variables will be explained.

Much of the research on government funding of non-profit organizations has been based on limited case studies or small samples of specific types of non-profits such as hospitals or certain social service type organizations (Gibelman and Demone 1998; Weisbrod 1988; Smith and Lipsky 1993; Weisbrod 1998). Bernstein (1991), Grayson and Tompkins (1984), and Hammack and Young (1993) all based their analysis of the impact of contracting and policy changes on small subsector studies. This study attempts to look at a broader view of the non-profit sector in Louisiana—not just hospitals, social services or foster care.

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<sup>7</sup> This dissertation topic satisfies the two major research considerations identified by King, Keohane and Verba, "is the question posed important in the real world and does this study make a specific contribution to an identifiable scholarly literature" (King, Keohane, Verba, 1994, 15).

One source for this study Smith and Lipsky (1993) focused on 30 non-profit organizations in Massachusetts. The lack of empirical evidence and the reliance on anecdotal and qualitative data on merely 30 organizations in Massachusetts called the Smith and Lipsky (1993) study into question by reviewers Gormley (1993) and Haskell (1995). Both reviewers suggested the need for further study and quantitative analysis.

This Louisiana study will determine the response of a larger sample of non-profit organizations completed in 1997 and five case studies completed in 1999. By using both quantitative analysis and qualitative analysis, this study can address the concerns of broader applicability of the findings from scholars who relied only on qualitative data from case studies and focus groups for limited empirical analysis.

Smith and Lipsky's analysis of the "contracting regime" suggested a connection between government funding and organizational behavior, advocacy and association membership, but was not able to rigorously test the model due to data limitations. The intent of this Louisiana study is to demonstrate that positive relationships exist between organizational characteristics, contextual factors and funding. These factors affect organizational behavior—advocacy behavior, alliance behavior and program diversification.

By examining the growing interest in government funding and organizational sustainability as motivating factors for non-profit organizations to join alliances, this study determines factors affecting non-profit organizational membership in single-issue coalitions, national, state and local coalitions. This study focuses on non-profit organizations in Louisiana as the unit of study. The study will demonstrate that

organizational behavior of non-profit organizations is affected by organizational characteristics and government funding. Organizations which receive government funding are more likely to participate in advocacy and alliance activities. Organizations which receive government funding are also more likely to have a wider range of programs.

The research questions for this study are the following:

1. What is the direct effect of government funding on non-profit organizational behavior in terms of (a) advocacy behavior; (b) alliance behavior; (c) diversity of programs?
2. What is the direct effect of organizational characteristics on non-profit organizational behavior in terms of (a) advocacy behavior; (b) alliance behavior; (c) diversity of programs?
3. Do organizational characteristics affect these behaviors indirectly as well by affecting government funding?
4. Does the source of government funding affect these relationships?
5. Are there reciprocal relationships between the dependent organizational behavior variables for funding, advocacy behavior, alliance behavior and program diversity?

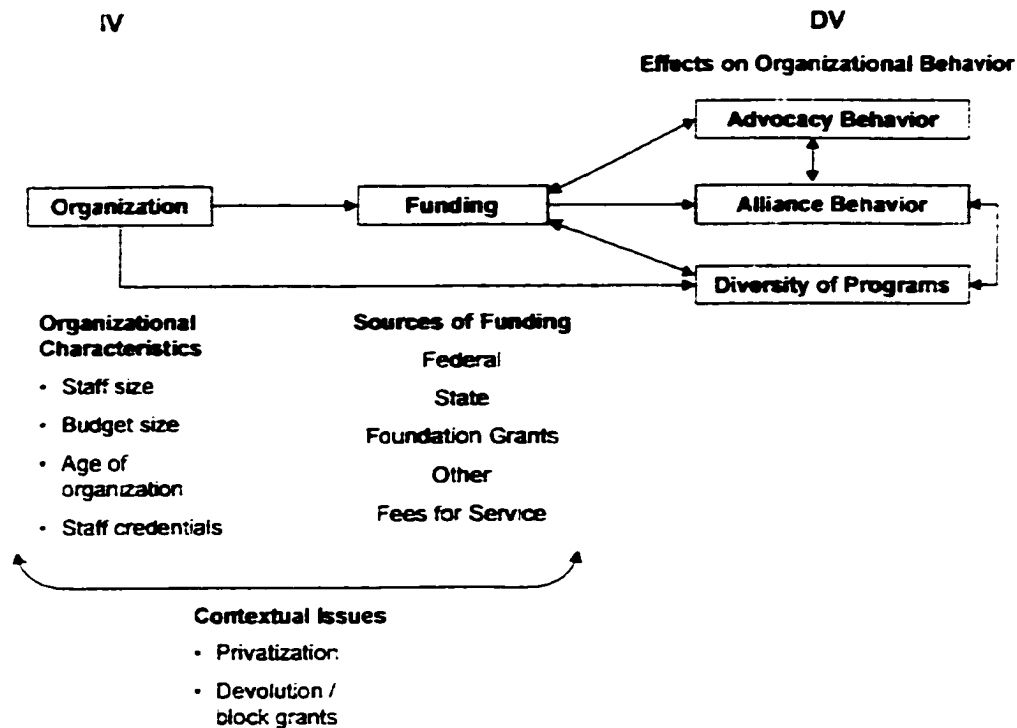
In order to test this complex model, a lengthy survey was developed. In addition to the review of other state and national surveys<sup>8</sup>, the literature review on alliance and association behavior generated a series of questions, several directly from the work of

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<sup>8</sup> The surveys from North Carolina, Utah, Maryland and Minnesota were reviewed for the Louisiana survey.

Gray and Lowery (1996) regarding interest group behavior. These questions were included.

## MODEL



The survey was developed in 1997 with input from practitioners in the field through the development of the Louisiana Association of Non-profit Organizations (LANO), faculty from LSU, LSU-S and Southern University. The field test consisted of ten non-profit directors completing the survey. The non-profit practitioners who field tested the survey complimented its comprehensive nature, commented on the length and intensity of the survey, yet recommended no substantive changes. The project proceeded with the original instrument with few substantive changes. (See Appendix A)

In July 1997, the questionnaire containing 54 questions was mailed to a random sample 750 Louisiana 501(c)(3) non-profit organizations which had assets of over



\$100,000 reported on the 1995 IRS Form 990. In addition to the random sample, 395 United Way agencies, 179 community development and community based groups and 95 LANO members received the questionnaire.

The surveys were mailed in July of 1997 and responses continued to be accepted through the end of the year. The overall response rate was lower than anticipated. Of the approximately 1,400 surveys mailed, 170 useable surveys were returned and inputted. The response rate was approximately 12%. This response rate may be due to several factors: conducting a survey in the summer, no follow-up by phone or mail, low name recognition of the sponsoring agency and the complexity of the survey.

A low response rate may be typical for non-profit organizations. Crimmins and Keil (1983) conducted a study of non-profit organizations across the country to study non-profit enterprises. Crimmins and Keil sent out approximately 1,800 surveys and received a response rate under 10%. The study of the Utah non-profit sector completed in March of 1998 relied on survey responses from 246 organizations (1998, 9). The Maryland study had a response rate of approximately 11% based on a distribution of over 4,800 surveys and a return of 400 usable surveys for analysis (Salamon, 1997).

The sample described in Table 3.1 indicates the number of non-profit organizations in each region that are IRS 990 filers, the number of United Way agencies in each region and the number included in the sample. In addition, the table breaks down the sample and the universe by region to demonstrate that the sample is generally reflective of the state.

**Table 3.1 Summary Of Sample**

Region	Parishes	# of United Way Orgs. In region	# United Way Orgs. In sample	Total Sample from region#	% Total Sample Total	# IRS 990 Filers in region	% of IRS 990 Filers
New Orleans Metro	St. Tammany, Jefferson, Orleans, Washington, Tangipahoa	71	23	41	24.4 %	953	39.7%
Baton Rouge Metro	Ascension, East Feliciana, West Feliciana, West Baton Rouge, East Baton Rouge	75	12	31	16.5 %	453	18.9%
Houma/Thibodaux	St. Charles, Terrebonne, Assumption, St. Mary	62	6	8	4.7%	103	4.3%
Lafayette Metro	Iberia, Lafayette, Vermillion, Acadia, St. Landry, Evangeline	63	14	20	11.9 %	225	9.8%
Lake Charles	Allen, Calcasieu, Beauregard	37	6	7	4.2%	109	4.5%
Alexandria Metro	Concordia, La Salle, Winn, Rapides, Vernon, Sabine	14	4	19	11.3 %	146	6.0%
Shreveport Metro	DeSoto, Bienville, Lincoln, Caddo, Bossier	33	8	32	19.7 %	234	9.7%
Monroe Metro	Caldwell, Richland, Morehouse, Ouachita	40	5	13	7.7%	172	7.1%
Total		395	78	170	100.00 %	2395	100.00 %

\*Data from IRS for 990 Filers for 1998

This study utilizes a multi-variate regression analysis and logistic regression analysis using SPSS and SAS to test the hypotheses and evaluate the existence, strength and direction of the hypothesized relationships. The data generated from the original survey provided the necessary data to categorize organizations by complexity and maturity in terms of the age of the organization, board size, budget size and other factors used in the typology developed by Smith and Lipsky (1993).

The sophistication of the organization seems to be an important factor as determined by characteristics such as organizational size, staff size, budget size, total

revenue, age of organization, and board size. Smith and Lipsky (1993) indicated that power is shifting from voluntary boards to more highly trained professional executive directors who are more responsive to funding and regulatory relationships with the state. The education level of the CEO is therefore considered an important independent variable in the model. The race of the CEO is included to determine whether or not race matters in terms of the funding and organizational relationships.

Other possible organizational changes resulting from the emphasis on contracting may include expansion in the mission of the organization, changing the composition of the board of directors, increased sophistication in record keeping, contract and financial management and increases in the administrative demands on organizations (Crimmins and Keil 1983; Grayson and Tompkins, 1984; Herman, 1994; Knauff, Berger, Gray, 1991; O'Neill and Young, 1988; Powell, 1987).

Some of the predicted organizational changes are difficult to specify. The organizational characteristics regarding board composition and increased sophistication in record keeping were not variables that could be quantified in the study. A proxy variable such as United Way affiliation was selected. Organizations who are affiliated with the United Way or have a national affiliation may be more sophisticated and more likely to receive government funding. The added benefits from a national organization such as training, advocacy and other services make these variables important in this model. The organizational characteristics selected to include in this study reflect the principal issue to be addressed in the analysis. The organizational variables are explained in Table 3.2.

**Table 3.2 Measurement Of Organizational Variables**

UNITED WAY	Dichotomous variable: 0 = no; 1 = yes
BOARD SIZE	Actual number of board members
STAFFFULL	Actual number of full time staff people
REVENUE	Categories for fiscal year revenue \$0-\$150,000 \$150,001-\$500,000 \$500,001-\$1 million \$1 million-\$2 million \$2 million-\$4 million Over \$4 million
NATIONAL	Is your organization affiliated with a national organization? 0 = no, 1 = yes
EDUCEO	What is your education level? High School = , College = , Masters = , Doctorate =
RACECEO	Do you consider yourself to be: African American Asian American Caucasian/White Latin American/Hispanic/American Indian Multi-racial Other This variable was recoded as Black = 1, Other = 0
ORGAGE	actual age of organization in years

The survey included an extensive list of contextual factors which might be significant to organizations. In the preliminary analysis conducted, several variables were evaluated to determine if they fit the specifications of the model. The literature review indicated the significance of devolution (DEVOLUTION) on funding of non-profits and therefore this variable is included to represent the importance of this federal policy. In considering the other possible contextual variables, only two were selected to be included in the analysis. The variable (DUPLICA) which is intended to measure concern over duplication of efforts was selected to address the concerns expressed with the sector about competition for resources. The other variable selected was intended to

complement the Gray and Lowery analysis about organizational behavior. The variable (COMPFIERCE) is intended to determines the level of concern about competition for resources. These three variables represent issues that may be significant to non-profit organizations.

**Table 3.3 Contextual Factors**

Describe the current environment for accomplishing your mission? 5= strongly agree, 4=somewhat agree, 3= don't know, 2=somewhat disagree, 1=strongly disagree	
DUPLICA	We need to encourage collaboration and mergers of organizations to reduce duplication
COMPFIERCE	Competition for resources is fierce between my organization and others with similar services and values.
How important are these challenges facing the non-profit sector in the next three to five years? 5=very important, 4=somewhat important, 3=don't know, 2=not very important, 1= not important	
DEVOLUTION	Devolution: Block Grants and Federal Funding Cuts

Privatization, devolution and other policy and funding changes are affecting governmental decisions about funding and the provision of services by non-profit organizations. Opportunities for state or federal funding may provide the impetus for organizations to diversify from their original mission (Staeheli, Kodras, Flint 1997; White, 1981; Rose-Ackerman, 1986; Powell and Clemens, 1998; Gronbjerg, 1998; Perlmutter and Gummer, 1994). The funding variables for the model were limited to measures of government funding. The original intent was to focus on the percentage of government funds received by organizations.

However, after extensive analysis and testing of various models, this study focused on fewer funding variables to evaluate the distinction between receiving

government funding through contracts or not receiving government funding. This decision to focus on the dichotomous relationship of receiving public funding was made because of inconsistent results from the analysis of the variables formatted as percentages of funding.

The results of the analysis based on government funding coded as the dichotomous variable (CONTRACT) are the most interesting of the study. The (CONTRACT) question is very important, since the other efforts at evaluating contracting with the various departments of state government were not as productive due to the small number of cases with data for many departments. In addition to evaluating contracting, the source of funds is of interest as well.

In the preliminary analysis, a composite variable was created by adding the variables representing the percentage of funds from federal, state and local sources together. The Cronbach's Alpha for the new variable (STATEFEDLOC) was .7259 suggesting that it is not inappropriate to group the variables in this way. This variable (STATEFEDLOC) is only reported in one model, since it was not particularly responsive in the analysis.

In addition, new dichotomous variables were created to evaluate the effect of the existence of government funding rather than the amount of government funding. These new variables for federal money (FEDMON), state money (STATEMON), and local money (LOCALMON) were included in the analysis. These variables reflect the significance of public funding for non-profits.

**Table 3.4 Funding Variables**

Funding Variables included in final analysis	
CONTRACT	Do you contract with government agencies? 0=no, 1=yes
	Please estimate the percentage of your total operating revenues from each source.
FEDGRT	Federal Grants and Contracts %
STAGRT	State Grants and Contracts %
LOCGRT	Local Grants and Contracts %
STATEFEDLOC	Composite of FEDGRT, STAGRT, LOCGRT
FEDMON	New Dichotomous Variable: Federal money 0 = no, 1 = yes
STATEMON	New Dichotomous Variable: State money 0 = no, 1 = yes
LOCALMON	New Dichotomous Variable: Local money 0 = no, 1 = yes

The impact of the policy changes of privatization and devolution on the advocacy behavior of non-profit organizations is a critical aspect of this study. As a result of these policy and funding changes, non-profit organizations may also be becoming more aware of and active in advocacy related activities in an effort to seek or maintain funds.

A broad array of advocacy related variables were generated by the survey. In an effort to condense the variables, a new variable (ADVOACT) was created. ADVOACT is the summation of all of the advocacy activity variables. The survey asked "What advocacy activities has your organization conducted in the last two years? At the Federal, state, or local level." The responses were coded (0= no), (1= yes) and (missing). Each category was coded for federal, state and local.

- a. Phone calls, faxes, letters to elected officials: (PHONEAD)
- b. Personal visits with elected officials, community leaders: (VISITAD)

- c. Media involvement-editorials: (MEDIAAD)
- d. Tracking of legislation/testimony at hearings: (TRACKAD)
- e. Attending/Conducting meetings or briefings: (MEETAD)
- f. Organizing grassroots efforts, mailings: (GRASSAD)

The variables were then aggregated in different combinations to test for significant relationships. The types of advocacy activities were aggregated to become (PHONEAD), (VISITAD), (MEDIAAD), (TRACKAD), (MEETAD), and (GRASSAD). The advocacy activities by level of contact were aggregated to become (STADVO), (FEDADVO), and (LOCADVO). The variables that emerged after extensive analytical reviews were ADVOACT, VISITAD, GRASSAD, and TRACKAD.

**Table. 3.5 Advocacy Variables Included In Analysis**

ADVOCACY VARIABLES	
ADVOACT	Composite Variable of all advocacy variables
VISITAD	Composite Variable of FEDVISIT, STAVISIT, LOCVISIT
GRASSAD	Composite Variable of FEDGRASS, STAGRASS, LOCGRASS
TRACKAD	Composite Variable of FEDTRACK, STATRACK, LOCTRACK

Another area of interest is the alliance or association behavior of non-profit organizations. The literature review explained reasons for institutional membership in associations/alliances or interest groups based on material, solidary and purposive benefits. The basic model focuses on alliance and coalition participation. One of the hypothesized changes in the habits of organizations is the increased participation in intermediary organizations such as associations, coalitions and collaborations. The literature suggests that alliance participation seems to be a common



means to promote advocacy activities, strengthen the non-profit sector and provide a buffer in dealing with government agencies. Alliance behavior is addressed by organizational participation in local, state, regional and national collaborations and associations. The survey question is “Is your organization affiliated or a member of any associations, coalitions or collaborations? If yes, check all that apply.” Each part of the collaboration, association question is coded independently as a dichotomous variable. For example, the variable (NEIGHCOLL) is coded 0 (zero) for no and 1 (one) for yes. The new variable (COALITION) was created in an effort to generate more significant results and to develop a more parsimonious model. After many iterations of analysis, the alliance/association behavior variables were limited to (COALITION), (ISSUECOLL), (STATECOLL), and (NATCOLL).

**Table 3.6 Alliance Behavior Variables**

ALLIANCE BEHAVIOR VARIABLES	
COALITION	Composite Variable of all coalition, collaboration variables
ISSUECOLL	Issue Coalition
STATECOLL	State level coalition, association or collaboration
NATCOLL	National level coalition, association or collaboration

In an effort to determine the reasons for participation in alliances, association and coalitions, a lengthy question outlined the range of reasons for participating in interest group activities. The responses from the question, “How important are the following reasons for your organization to join a coalition, association or collaboration?”, were recoded into the new variables PURPOSIVE, MATERIAL and SOLIDARY. These variables are intended to reflect the interest group literature.

**Table 3.7 Reasons for Alliance Participation**

The variables were coded 5=very important, 4=somewhat important, 3= Don't Know or Neutral, 2=not very important, 1=not important.	
a) COSTSAVE	To access costs savings and benefits such as discounts
b) GAINSER	To gain direct services, training and management assistance
c) ADVOPOLI	To receive advocacy and public policy information, updates
d) INFORESE	To participate and receive information, research
e) GRANTSEM	To participate in grantwriting seminars
f) EMERINIT	To participate in a popular emerging initiative
g) EXTERNAL	To respond to external threats to the sector
h) GALVSUPP	To galvanize support and interest of the significance of service
i) CAREERAD	To meet and network with other professionals
j) TIMEADVO	To receive up to date advocacy information on legislative activities
k) TRENDSIN	To receive publications on trends in the sector
l) FORUMS	To participate in forums with grantmakers

**Table 3.8 Participation In Alliances Variables**

REASONS FOR PARTICIPATION IN ALLIANCES	
MATERIAL	COSSTSAVE, GAINSER, CAREERAD, GRANTSEM, FORUMS, TIMEADVO
PURPOSIVE	ADVOPOLI, GALSUPP, INFORESE
SOLIDARY	EMERINT, EXTERNAL, TRENDSIN

The organizational behavior variables for advocacy and alliance behavior were narrowed down to a manageable list to be included in the models.

The other organizational behavior identified in the model is program diversification. Program diversity is intended to measure the breadth and complexity of the organization based on the number of separate programs. The basic model suggests that programs which receive government funding may have diversified in an effort to remain sustainable. The survey asked, "How many separate programs, divisions or organizational units does your organization have?" (SEPPROGS) is the dependent

variable used in the basic model to measure program diversity. This variable is coded as follows: (a) 0 to 3 programs, 1 (b) 4 to 8 programs, 2 (c) more than 9 separate programs or divisions, 3.

The final variables to be evaluated are the two Gray and Lowery questions included. A separate section of the analysis briefly deals with the interest group theory proposed by Gray and Lowery. The first question is: "In conducting your lobbying and advocacy activity with the state legislature, how often do you consult, communicate, or cooperate with other organizations sharing your goals and also engaged in lobbying the state legislature?" This variable is (CONSULTG). The second question is "In conducting your lobbying advocacy activity with the state legislature, how often do you find your self in direct competition with other organizations opposed to your position?" This variable is (COMPOPPPO). The possible values for both variables are the following: never, rarely, sometimes, often, always on a five point scale.

These variables are included to determine how organizations work together on advocacy and alliance activities. As mentioned previously, the contextual variables for duplication of services and competition for resources are predicted to be significant with these variables. This very brief review of these Gray and Lowery variables may be instructive for other research efforts since they are given only a cursory analysis in this project.

The final step in the analysis is to evaluate the reciprocal relationships between selected dependent variables. The causal diagram/model indicates that there may be

some interaction between the dependent variables. In order to properly estimate this hypothesized relationship, two stage least squares are calculated.

The hypotheses are intended to test the effect of organizational characteristics, contextual factors and funding on organizational behavior:

- 1) Organizational characteristics including staff size, budget size, age of organization and staff credentials affect whether or not a non-profit organization receives government funding.
- 2) Government funding affects non-profit organizational behavior in three areas: advocacy behavior, alliance behavior and program diversification.

Given the complexity and the number of variables included in the model, several versions were tested. The number of dependent variables to be tested made it necessary to work through different scenarios including the various combinations of funding and advocacy variables.

In order to test fully all the hypothesized relationships over one hundred logit and regression tables were generated. Therefore, the results are quite complicated to present and explain the different scenarios of combinations of models. The term model is used to distinguish a combination of variables to test a component of the original causal diagram or basic model. The following equation identifies the variables in the models to be tested.

#### EQUATION FOR BASIC MODEL

$$DV = a + b1(UNITED WAY) + b2 (BOARD SIZE) + b3 (STAFFFULL) + b4 (REVENUE) + b5 (DEVOLUTION) + b6 (NATIONAL) + b7 (EDUCEO) + b8 (RACECEO) + b9 (ORGAGE) + b10 (DUPLICA) + b11 (COMPFIERCE) + b12 (FUNDING VARIABLES, CONTRACT, STATEFEDLOC, FEDMON, STATEMON,$$

LOCALMON) + b13 (ADVOCACY VARIABLES, ADVOACT, VISITAD, TRACKAD, GRASSAD) +b14 (COALITION VARIABLES, COALITION, STATECOLL, NATCOLL, ISSUECOLL) + b15 (SEPPROGS)

In addition to the extensive list of variables, another factor complicating the analysis is the overrepresentation of United Way agencies in the sample. Since it was thought that this overrepresentation would affect the representativeness of the results, the analysis was completed on weighted and unweighted data. The weighting procedure was necessary to reflect the proportional representation of United Way agencies in the universe, since the sample significantly over-represents United Way agencies. The weighting equation is based on the proportion of United Way agencies in the sample divided by the proportion in the population.

**Table 3.9 United Way Agencies in the Sample**

<b>Region</b>	<b># of United Way Orgs. In region</b>	<b># United Way Orgs. In sample</b>	<b>Total Sample #</b>	<b>% UW in Sample Total</b>	<b># IRS 990 Filers in region</b>	<b>% of UW IRS 990 Filers</b>
Total	395	78	170	45%	2395	16.5%

\*Data from IRS for 990 Filers for 1998

By weighting the analysis to restore the proper distribution of United Way agencies, the results of the analysis should be more reflective of the universe. In order to test all the scenarios on the weighted and unweighted data, the results are lengthy and cumbersome to report. Therefore, the results of all the models are reported in the Appendix D. as weighted and unweighted to differentiate the impact of United Way agency representation in the sample. The comparison of the unweighted and weighted models is intended to indicate how the weighting process affected the models. The model variations are based on including the different variables for funding, advocacy

behavior and alliance behavior in different combinations to determine if patterns emerge in the analysis. Each dependent variable is covered in a separate table which includes the unweighted and weighted models for each scenario. In most cases, four scenarios are reported which include the combinations for the funding, advocacy and alliance variables. The models reported are intended to clarify the analysis and serve as representative models from the extensive analysis completed. Most of the models reported in the analysis chapter include only the separate measures for advocacy behavior and alliance behavior. Only the weighted models are reported for the selected models for the dependent variables (CONTRACT), (STATEFEDLOC), (FEDMON), (STATEMON), (LOCALMON), (ADVOACT), (VISITAD), (TRACKAD), (GRASSAD), (STATECOLL), (NATCOLL), (ISSUECOLL) and (SEPPROGS).

**Table 3.10 Dependent Variables Reported in Analysis**

CONTRACT	Do you contract with government agencies? 0=no, 1=yes
FEDGRT	Federal Grants and Contracts %
STAGRT	State Grants and Contracts %
LOGRT	Local Grants and Contracts %
STATEFEDLOC	Composite of FEDGRT, STAGRT, LOGRT
FEDMON	New Dichotomous Variable: Federal money 0 = no, 1 = yes
STATEMON	New Dichotomous Variable: State money 0 = no, 1 = yes
LOCALMON	New Dichotomous Variable: Local money 0 = no, 1 = yes
ADVOACT	Composite Variable of all advocacy variables
VISITAD	Composite Variable of FEDVISIT, STAVISIT, LOCVISIT
GRASSAD	Composite Variable of FEDGRASS, STAGRASS, LOCGRASS
TRACKAD	Composite Variable of FEDTRACK, STATRACK, LOCTRACK
COALITION	Composite Variable of all coalition, collaboration variables
ISSUECOLL	Issue Coalition
STATECOLL	State level coalition, association or collaboration
NATCOLL	National level coalition, association or collaboration

## **CASE STUDIES**

In addition to the data from the original mailed survey sample, five case studies to enhance the analysis and the results. The inclusion of the case studies helps to elaborate on some of the main issues to be addressed in the study. The survey for the case studies is included as Appendix B. Given the discussion regarding organizational sophistication, the organizational typology suggested by Smith and Lipsky (1993) was used in the selection of organizations to be included as case studies.

### **A. Traditional**

1. Volunteers of America of Greater Baton Rouge has an eighty year history as a human service organization, but which has diversified into 20-30 different programs in response to funding and policy changes. This United Way Agency has changed dramatically over its lifespan and is now primarily funded by government sources.
2. Kingsley House in New Orleans founded in 1896 was initially a settlement house in New Orleans and now offers an array of services. Kingsley House received funds through the state capital outlay budget for an addition and the staff is knowledgeable regarding policy implications.

### **B. Formed in response to government funding**

3. Community Support Programs in Shreveport, Louisiana was created in 1990 in direct response to available government funding in the areas of health and human services.

4. Unity for the Homeless in New Orleans was founded in 1992 in an effort to coordinate the activities of over 50 homeless and social service agencies in the greater New Orleans area.
- C. Formed in response to unmet community need
5. Urban Restoration Enhancement Corporation in Baton Rouge is a community development and housing organization which is funded by government and community funds.

This chapter explains the research design for the study, the model and the combinations of variables tested. This study evaluates a broad spectrum of non-profit organizations in Louisiana, fills a gap in the literature, and provides a foundation for further research on non-profit organizational behavior.

The research design includes the quantitative analysis of a survey of non-profits and the results of five case study interviews. After the review of the results of this study, other concerns for further research are identified that address the limitations of this study.

This study successfully addresses the research questions and identifies new areas for further study. Although there is more that can be done to improve the precision of this area of inquiry, it makes a contribution to the understanding of organizational behavior of non-profits and the effects of government funding.



## **CHAPTER 4. ANALYSIS AND FINDINGS**

This chapter will report the findings from the quantitative data analysis of the results of 170 surveys completed in the summer of 1997. The findings will corroborate the hypotheses predicting a positive relationship between organizational and contextual factors, funding and organizational behavior as specified in terms of advocacy behavior, alliance behavior and program diversity. The original model/causal diagram is referred to as the basic model and identified multiple dependent variables.

In the methods chapter, the selection of variables was explained. There were several possible measures of advocacy behavior and alliance behavior. For advocacy behavior, the variables included in the analysis are meeting with elected officials (VISITAD), participating in grass roots advocacy (GRASSAD), and tracking legislation (TRACKAD). The composite variable for advocacy (ADVOACT), is included in some models for comparison to the separate measures of advocacy. In some models, the separate measures were not significant, but the composite measure (ADVOACT) was significant; therefore, the comparison of the models is instructive.

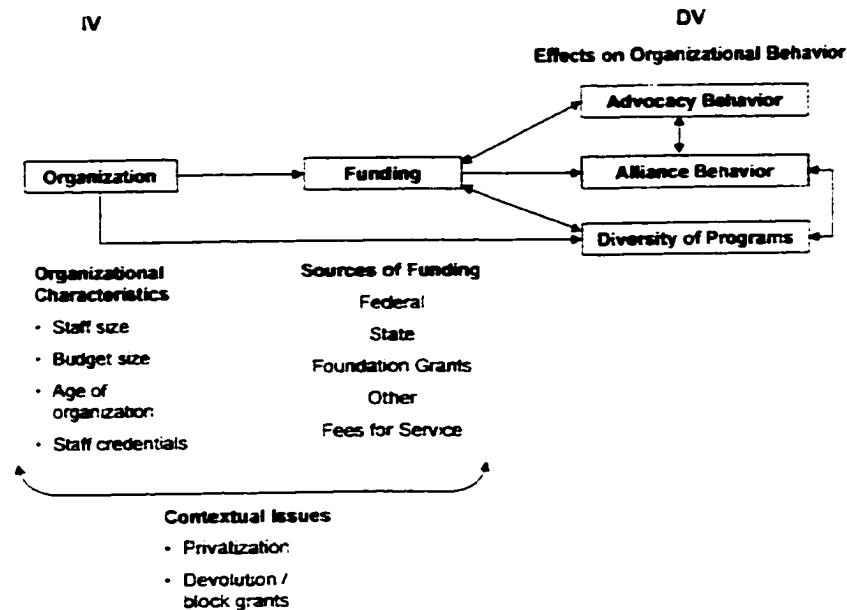
In reviewing the results from coalition/alliance behavior variables, the composite measure (COALITION) is not included in the reported tables because it is rarely significant. For alliance behavior, the variables included in the reported tables are participating in state alliances, collaborations or associations (STATECOLL), participating in national alliances, collaborations or associations (NATCOLL), and participating in issue coalitions, alliances or coalitions (ISSUECOLL). As mentioned,

many combinations of variables were reviewed in the preparation of this study. The full report of models evaluated is included in Appendix D.

**Table 4.1 Summary Of Dependent Variables**

<b>FUNDING</b>	<b>ADVOCACY</b>	<b>ALLIANCE BEHAVIOR</b>	<b>PROGRAM DIVERSIFICATION</b>
CONTRACT	ADVOACT	COALITION	SEPARATE PROGRAMS
STATEFEDLOC	VISITAD	STATECOLL	
FEDMON	TRACKAD	NATCOLL	
STATEMON	GRASSAD	ISSUECOLL	
LOCALMON		CONSULTG	
		COMPOPO	

### MODEL



The analysis reported is organized in these sections: Funding, Advocacy Behavior, Alliance Behavior and Program Diversification. Extensive analysis was conducted on several variations on the basic model as described in the research design. This chapter reports on a representative sample of the models to evaluate the research questions.

## SUMMARY OF FUNDING DEPENDENT VARIABLES

Table 4.2 displays the results when CONTRACT is considered as a dependent variable. Because of the dichotomous nature of this variable, a logit model is used to estimate parameters. In the model reported for CONTRACT, the organizational characteristic variables, contextual variables, the measure of program diversity and the separate variables for advocacy behavior and alliance behavior are included. As previously mentioned, program diversification is an indication of the complexity of the organization as measured by the number of separate programs.

The organizational characteristics are important in determining the factors which may influence the funding of the organization. In the model with CONTRACT as the dependent variable, the organizational characteristics board size (BOARDSIZE), the number of full-time staff (STAFFFULL) and organizational age (ORGAGE) are significant.

Board size is positive and significant at the .10 level indicating that organizations with larger boards may have more contracts. The number of full-time staff is positive at the .05 level indicating a stronger relationship with larger organizations and contracting. It is interesting to note that budget size (REVENUE) of the organization is not significant, even though staff size is significant. Generally, it was thought that budget size and staff size would be indicators of larger organizations and that larger organizations would be more involved in contracting.

The analysis by Smith and Lipsky suggested that organizational age might be an important indicator. Smith and Lipsky suggested that older, more established

organizations might be more involved in contracting. However, they also suggested that new organizations might emerge to receive contract funds. In this model, organizational age (ORGAGE) is significant at the .10 level but the coefficient is negative, leading one to believe that newer organizations are better able to secure contracts with government.

In terms of advocacy behavior, meeting with elected officials (VISITAD) is positive and significant at the .05 level, indicating that contracting is affected by the direct advocacy behavior of the organization. The other advocacy variables are not significant. The significance of meeting with elected officials makes sense since most contracting does take place at the state level. Direct involvement with elected officials is a good method of raising the visibility of the organization and strengthening the connection of officials who could intervene on behalf of the organization in the contracting process.

In reviewing alliance behavior, participation in state-wide alliances, collaborations, or associations (STATECOLL), is positive and significant at the .10 level. However, the coefficients for participation in national and issue alliances are not significant. The participation in state level activities makes sense as an indicator of contracting since most contracting is done at the state level. In Louisiana, there are many state level advocacy groups and provider groups working on funding and regulatory issues. Participation in these types of groups is an appropriate strategy for organizations seeking contract funding.

One of the points discussed in the literature review is the impact of program diversification on organizational behavior. Several authors suggested that organizations

may be diversifying in an effort to pursue new funding strategies. Another possibility is that organizations who remain specialized may have a niche they can protect. In this analysis, the measure of program diversification (SEPPROGS) is negative, but significant at the .10 level. This finding indicates that organizations that have not diversified or have a narrower range of programs may be more involved in contracting in Louisiana.

These findings indicate that newer organizations with large staffs may be focused on a smaller array of services as evidenced by the coefficient in separate programs, but are also more likely to be involved in state collaborations and direct advocacy. Also of interest is what is not significant. The contextual issues measuring the importance of the public policy issue devolution (DEVOLUTION), concern about duplication of services (DUPLICA) and concern about fierce competition for funding (COMPFIERCE) are not significant in the contracting model. These contextual issues were included based on the prospect that these factors would be important in the decision-making process of organizations and in how they respond to funding. It is interesting to note that these variables do emerge as significant in subsequent funding models.

In addition to the contextual variables, there were some organizational variables that did not emerge as significant. Budget size (REVENUE), United Way membership (UNITEDWAY), and affiliation with a national organization (NATIONAL) are not significant. It is also interesting to note that the race of the CEO (RACECEO), is significant and negative, but the education of the CEO (EDUCEO) is not significant.

The race of the CEO was included to test the perception that minority led organizations were not as likely to receive state funds. In this model, that perception is realized and the race of the CEO does seem consistently negative but not significant across many of the models.

In summarizing the dependent variable (CONTRACT), it seems that organizations with larger staffs and larger boards, who do not have minority CEOs and are leaders of younger non-profit organizations with a narrower focus and which are involved in direct advocacy activities such as meeting with elected officials (VISITAD), and participate in state level collaborations, coalitions or associations (STATECOLL) are involved with contracting activities.

In the second model reported for funding, the dependent variable represents the percentage of public funds received from state, federal and local government (STATEFEDLOC). Because this is a composite variable, a regression model is used to estimate the parameters. Each of the individual variables included is coded as a percentage of funding. The Cronbach's Alpha for this variable was .76 indicating that it is not inappropriate to group the variables in this way. In this model, board size (BOARDSIZE) is negative and significant at the .01 level. Staff size (STAFFFULL) is negative and significant at the .10 level. In reviewing the contextual factors, the importance of devolution (DEVOLUTION), is positive and significant at the .01 level, but concern about duplication of services (DUPLICA) is negative and significant at the .05 level. Once again, the advocacy variable for meeting with elected officials

(VISITAD) is positive and significant at the .05 level. The measure of state alliance behavior (STATECOLL) is also positive and significant at the .05 level.

These results indicate that the percentage of public funds is not necessarily limited to organizations with large boards or staffs. It is interesting to see the significance of the contextual factors, (DEVOLUTION), (DUPLICA), and (COMPFIERCE) emerge consistently with (STATEFEDLOC). The positive sign for meeting with elected officials (VISITAD), confirms the basic premise of the hypothesis that there is a positive relationship between public funding and advocacy activity. The positive results for state alliance behavior (STATECOLL) and the negative results for participation in national level alliances (NATCOLL), may be explained by the fact that most of the organizations are receiving state funds and not national funds. Therefore, participation in state level activities would more likely affect their funding opportunities. In addition, many organizations do not have national affiliations and are more focused on local issues. Program diversification (SEPPROGS), is not significant and may indicate that program diversity is not an essential quality to receive public funding.

At this point, the next analysis is to determine if the source of funding from local, state or federal sources alter the results. This review of source of funding is completed to determine if the independent variables relate differently to the funding sources from different levels of government. For example, the participation in state level alliance behavior may change depending on the funding source.

**Table 4.2: Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**

Dependent Variable:	CONTRACT		STATEFEDLOC	
	Contract Funds		Aggregate Measure of State, Federal and Local Funding	
	Weighted Model		Weighted Model	
	b	t score	b	t score
Intercept	-1.0613	.5129	17.327110	.749
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	.2147	.2762	1.168306	.133
Size of Board (Board size)	.0562	1.7763*	-.475274	-2.541***
Number of Full-Time Staff (Stafffull)	.1166	2.2570**	-.023142	-1.714*
Budget Size of Organization (Revenue)	.1398	.5258	-1.342454	-.798
National Affiliation (National)	.0964	.1418	7.708199	1.001
Education of CEO (Educeo)	-.2862	.6223	.034836	.007
Race of CEO (Raceceo)	-1.5191	1.6387*	-1.022693	-.094
Age of Organization (Orgage)	-.0370	1.8648*	-.029952	-.163
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	.2922	1.2748	6.614332	2.419***
Duplication of Resources (Duplica)	-.2040	.8913	-5.198694	1.954**
Fierce Competition for Resources (Compierce)	.1233	.5866	2.666154	1.060
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)				
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)				
State Money (Statemon)				
Local Money (Localmon)				
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advoact)				
Meeting with Elected Officials (Visitad)	.8034	2.0040**	9.355397	2.199**
Tracking Legislation (Trackad)	-.0196	.0583	.230254	.057
Grass Roots Advocacy (Grassad)	-.4045	.9170	-3.683925	-.761
<b>Coalition/Alliance Behavior</b>				
Aggregate Coalition Measure (Coalition)				
State Alliance (State collaboration)	1.2512	1.8519*	27.186696	3.537***
National Alliance (National coll.)	-.3452	.5010	-12.522227	-1.513
Issue Alliance (Issue coll.)	.8497	1.1565	6.745063	.809
Purposive				
Material				
Solidary				
<b>Program Diversifications (Separate Programs)</b>	-.08702	1.6004*	-5.408640	-1.000
# of Observations	116			
Pseudo R <sup>2</sup>	3530			
-2 Log L	163.240			
Model Chi-Square	63.299			
R Square			.3607	
Adj. R-Square			.2479	
df-degrees of freedom			120	
F			3.198	
Prob (F)			.0001	

- \*\*\* Prob < 0.01, two-tailed test
- \*\* Prob < 0.05, two-tailed test
- \* Prob < 0.10, two-tailed test



Table 4.3 displays the results from the models where the dependent variables represent federal money (FEDMON), state money (STATEMON), and local money (LOCALMON). Because of the dichotomous nature of these variables, logit models are used to estimate the parameters. In completing the analysis, these variables were created to indicate the acceptance of public funds by non-profit organizations. Rather than relying on measures of percentage of funding received by organizations which had significant variance in the sample, these variable were created in order to test the hypothesis whether or not the existence of public funding makes a difference.

In this section, two models are reported for each dependent variable, (FEDMON), (STATEMON), (LOCALMON). Both models include all the organizational variables, contextual variables, alliance behavior variables and program diversification. The first model of each set includes the separate advocacy variables meeting with elected officials (VISITAD), tracking legislation (TRACKAD), and grass roots advocacy, (GRASSAD). The second model includes the aggregated advocacy variable, (ADVOACT).

In the first model for federal money as the dependent variable (FEDMON), board size (BOARDSIZE) is negative and significant at the .10 level. The education of the CEO (EDUCEO) is not quite significant. Of the contextual factors, concern about competition for resources (COMPFIERCE), emerges as positive and significant at the .01 level. Meeting with elected officials (VISITAD), emerges as positive and significant at the .10 level, yet neither of the other two advocacy variables are significant.

In alliance behavior, participation in state level alliances (STATECOLL), emerges as significant at the .10 level, but participation in national level alliances (NATCOLL) is not significant. Participation in issue alliances (ISSUECOLL) is positive and significant at the .01 level. The increased significance of state level alliance behavior and issue alliances is interesting since the dependent variable is federal money.

This model indicates that receiving federal money may not be as dependent on organizational characteristics as on relationships with elected officials and participation in state level coalitions and issue alliances rather than national alliances. The emergence of the significance of competition for resources (COMPFIERCE) may be an indication that aggressive organizations that participate in advocacy activities and have relationships with elected officials may be more likely to receive federal funding.

In the second model evaluating federal money as the dependent variable, there are similar results. The size of the board (BOARDSIZE) is negative and significant at the .10 level. Competition for resources (COMPFIERCE) is positive and significant at the .01 level. In this model, the aggregated advocacy variable (ADVOACT) is positive and significant at the .10 level. State alliance behavior (STATECOLL) is no longer significant, but participation in issue coalitions, collaborations and associations (ISSUECOLL) remains positive and significant at the .01 level.

When reviewing the various combinations in the models for the dependent variable (FEDMON) several patterns emerge. The negative sign on board size may indicate that smaller or more elite boards may be better suited in advocacy for federal funding. Board size is negative across all the funding variables except for the first model

for contracting. Organizational size or organizational age do not seem to be important factors affecting funding. Another factor that does not emerge as significant is national affiliation (NATIONAL). This is somewhat surprising since the *a priori* belief was that larger organizations with national ties, might be better positioned to seek and maintain federal funds.

The contextual factors were not as significant as expected. It is interesting to see the significance of the contextual factor (COMPFIERCE) emerge as consistently across the federal funding models. Competition for resources may be a motivating factor in seeking federal funds. However, it seems that concern about devolution (DEVOLUTION) is not a factor in federal funding. That may be appropriate since devolution is a federal policy which is affecting the availability of federal funding through mechanisms of state funding. Concern about duplication (DUPLICA) of services does not emerge in either model.

These models reflect the significance of advocacy behavior. The positive status of ADVOACT and VISITAD confirms the basic premise of the hypothesis that funding is affected by advocacy activity. Meeting with elected officials (VISITAD), may be a key indicator of sophistication in advocacy activities. This variable emerges consistently across many of the models, more so than grass roots advocacy and the tracking of legislation. The significance of the aggregate advocacy variable (ADVOACT) is important since this is the comprehensive measure of advocacy activity.

In reviewing the alliance behavior variables, issue alliance (ISSUECOLL) emerged as significant in both models for federal money. Issue coalitions may be more

homogeneous and therefore more effective in identifying or advocating for funding. It was presumed that national coalitions (NATCOLL) might emerge as significant for federal funding. The significance of state level alliance behavior might also be reflective of well organized interests at the state level which could assist in funding.

In the first model for state funding (STATEMON) is the dependent variable, the size of the staff (STAFFFULL) is negative and significant at the .10 level. The budget size of the organizations (REVENUE) is positive and significant at the .10 level. The other organizational characteristics are not significant. Of the contextual variables, devolution as a public policy issue (DEVOLUTION) is positive and significant at the .05 level. Of the advocacy variables, only tracking legislation (TRACKAD) emerges as positive and significant at the .10 level. In alliance behavior, participation in state level coalitions (STATECOLL) is positive and significant at the .01 level. But participation in national level coalitions (NATCOLL) is negative and significant at the .01 level. Unlike the previous model for federal funding, in this state model, participation in issue coalitions (ISSUECOLL) is not significant. The measure of program diversification (SEPPROGS) is positive and significant at the .05 level.

In the second model for the dependent variable STATEMON, once again, the size of the staff (STAFFFULL) is negative and significant at the .05 level. DEVOLUTION is positive and significant at the .05 level. The aggregate measure of advocacy (ADVOACT) is positive and significant at the .01 level. Participation in state level coalitions, collaborations or associations (STATECOLL) is positive and significant at the .01 level. Participation in national level coalitions, collaborations, or associations

(NATCOLL) is negative and significant at the .01 level. The measure of program diversification (SEPPROGS) is positive and significant at the .10 level.

These results indicate that the state funds are not directly affected by board or staff size. The negative sign on staff size is surprising since this indicates that smaller organizations are better able to receive state funding. In the models for federal money, competition for resources (COMPFIERCE) was significant, but it is not significant in the state models. The contextual factor (DEVOLUTION) was not significant in the federal models but is significant in both state models. Concern about devolution (DEVOLUTION) may be important in the state level analysis since devolution is a federal policy affecting funding availability and regulation at the state level. The presumption was that competition for resources would also be significant at the state level. It may be that one of the effects of devolution is that there is the perception of more funding being available at the state level.

Of the advocacy variables, tracking and monitoring legislation (TRACKAD) emerges as significant at the state level. Generally, many of the smaller non-profit organizations only participate in legislative monitoring activities. The expectation was that meeting with local elected officials would emerge as an important strategy for acquiring state funds (VISITAD), and so it is surprising that VISITAD is not significant. In the second model, the significance at the .01 level of the aggregated advocacy variable (ADVOACT) indicates that advocacy is important to receiving state funding.

When evaluating the alliance behavior variables, it makes sense that the state level variable (STATECOLL) would be positive and significant. However, the

difference in signs yet similarity in intensity of state level alliance behavior (STATECOLL) and national level alliance behavior (NATCOLL) is not consistent with the picture developed. The relationship between state funding (STATEMON) and participation in state coalitions, collaborations and associations (STATECOLL) is expected.

Upon further reflection, participation in national level coalitions, collaborations, associations (NATCOLL) would not be necessary to seek or attain state level funds. In fact, those organizations which are active at the national level may be expending vital resources at the national level which would make them less likely to attain state funds. By the same reasoning, participation in issue alliance behavior probably would not affect state funding. In both state level models, (ISSUECOLL) is not significant.

Program diversification is an important factor affecting state funding as demonstrated by (SEPPROGS) which is significant at the .10 level. This result is consistent with the hypothesis that organizations with a broader array of services would be more likely to have more state funding. These models generally confirm the basic premise of the hypothesis that there is a positive relationship between state funding, coalition behavior, advocacy activity and program diversity.

In the two models for local funding, very few variables emerge as significant. In the first model, only the number of full-time staff (STAFFFULL) is negative and significant at the .10 level. None of the other organizational or contextual factors are significant. None of the advocacy variables emerge as significant. The measure of participation in national level coalitions, collaborations and associations (NATCOLL) is

negative and significant at the .10 level, but (STATECOLL) is not significant. The measure of issue alliance behavior (ISSUECOLL) is positive and significant at the .01 level. The measure of program diversification (SEPPROGS) is no longer significant.

In the second model for local funding, none of the organizational or contextual variables are significant. However, in this model, the aggregate advocacy variable (ADVOACT) is positive and significant at the .05 level. It is somewhat surprising that in the first local model, none of the advocacy variables were significant, and in the second model (ADVOACT) is significant. ADVOACT is the composite variable created from all the advocacy activity variables. Even though the separate advocacy variables are not significant, this indicates that advocacy is important to local funding.

The local funding models are interesting because many of the variables that were significant in terms of federal and state funding are no longer significant. The emergence of issue coalitions as an important indicator of local funding may suggest that local money is more targeted to a few issues and participation in these issues is important for funding. These results indicate that the local funds are not significantly affected by many organizational or contextual characteristics. None of the separate advocacy variables are particularly significant, but the aggregate measure (ADVOACT) is significant. These models generally confirm the basic premise of the hypothesis that there is a positive relationship between local funding, coalition behavior, and advocacy activity. The measure of program diversification (SEPPROGS) was not significant in either of these models reported.

When reviewing the models for contracting (CONTRACT), federal money (FEDMON), state money (STATEMON) and local money (LOCALMON), the negative coefficients for staff size (STAFFFULL) and board size (BOARDSIZE) indicate that organizational size is not a determining factor in government funding. The difference in contextual factors (COMPFIERCE) and (DEVOLUTION) indicate that there are differences in factors affecting federal and state funding. The most consistent variable across the models is the aggregate advocacy variable (ADVOACT), which is consistently positive.

This finding supports the hypothesized relationship between funding and advocacy. It is also interesting to see issue alliance behavior (ISSUECOLL) emerge at the federal and local level, but not at the state level. State alliance behavior (STATECOLL) is positive with federal and state funding, but not with local funding. This distinction makes sense in evaluating the variables affecting funding. It seems that program diversification is not significant except with state funding.

Basically, these results indicate that larger organizations, as indicated by staff and board size, do not necessarily have the advantage in receiving state funding. Another unexpected result is that the contextual factors are not significant, but advocacy is a consistently important factor affecting public funding. The results for alliance behavior confirm that funding is affected by state and national alliance behavior at the state and national level and by local advocacy behavior at the national and local level. These findings confirm advocacy and alliance behavior affect funding. In the next section, the advocacy variables will be evaluated as the dependent variables.



**Table 4.3: Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**

**Dependent Variable:** **FEDMON** **STATEMON** **LOCALMON**

	Federal Money		Federal Money		State Money		State Money		Local Money		Local Money	
	Weighted Model		Weighted Model		Weighted Model		Weighted Model		Weighted Model		Weighted Model	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-3.9677	1.9779**	-2.8206	1.5474	-3.6087	1.8389*	-3.7681	1.9596**	-3.5977	1.8638	-3.7210	1.9607**
<b>Organizational Characteristics</b>												
United Way Member Agency (United Way)	1.0816	1.5556	1.0545	1.5753	.4828	.6930	.2785	.3830	.2067	.3134	.3012	.4531
Size of Board (Board size)	-.0617	1.7858*	-.0718	1.9572*	-.0357	1.2777	-.0349	1.5857	-.0282	1.2090	-.0343	1.3745
Number of Full-Time Staff (Stafffull)	-.00278	1.3025	-.00192	1.0755	-.00792	1.9866**	-.00676	2.1794**	-.00696	1.7521*	-.00686	1.5925
Budget Size of Organization (Revenue)	-.1951	1.4732	-.1793	1.3137	.2598	1.7191*	.1815	1.2530	.1534	1.2515	.0980	.7697
National Affiliation (National)	.5847	.9356	.4598	.7726	-.9457	1.4513	-.9389	1.4395	.4186	.6778	.6272	1.0142
Education of CEO (Educeo)	.6509	1.5220	.3526	.9026	.2773	.6592	.4045	1.0003	.4189	1.0499	.6012	1.5305
Race of CEO (Raceceo)	-.0101	.0141	.1593	.2209	-1.0375	1.3325	-1.1860	1.5592	-.5222	.6129	-.2974	.3674
Age of Organization (Orgage)	-.0178	.9645	-.0183	1.0115	-.00672	.4319	-.00381	.2401	.00474	.3140	.00885	.5515
<b>Contextual Factors</b>												
Importance of Devolution (Devolution)	.2309	1.0184	.2507	1.1432	.4808	1.9721**	.4458	1.9190**	.1345	.5874	.0322	.1466
Duplication of Resources (Duplica)	-.1606	.7612	-.1719	.8661	-.0145	.0693	-.1478	.7188	-.1926	.9593	-.2129	1.0488
Fierce Competition for Resources (Compfierce)	.5105	2.5194***	.4750	2.4939***	-.2295	1.1646	-.1096	.5869	.2637	1.3213	.2363	1.2445
<b>Funding Variables</b>												
Receiving Contract Funds (Contract)												
State, Federal and Local Funding (Statefedloc)												
Federal Money (Fedmon)												
State Money (Statemon)												
Local Money (Localmon)												
<b>Advocacy Variables</b>												
Aggregate Advocacy Measure (Advocat)			.1246	1.7206*			.2187	2.8189***			.1576	2.1339**
Meeting with Elected Officials (Visitad)	.6098	1.9092*			.3889	1.2265			-.2576	.7649		
Tracking Legislation (Trackad)	-.3598	1.2051			.5600	1.8733*			.3608	1.2570		
Grass Roots Advocacy (Grassad)	.5801	1.4424			-.5835	1.2238			.2164	.5188		
<b>Coalition/Alliance Behavior</b>												
Aggregate Coalition Measure (Coalition)												
State Alliance (State collaboration)	1.1229	1.8259*	.8489	1.4629	1.5728	2.5085***	1.5356	2.4922***	.3661	.6085	.5410	.8769
National Alliance (National coll.)	-.8016	1.1742	-.8054	1.2327	-2.0464	2.8524***	-2.1129	2.9713***	-1.0495	1.6129*	-1.2154	1.7748*
Issue Alliance (Issue coll.)	1.8271	2.7778***	1.7447	2.7920***	.4736	.7315	.7732	1.2425	1.5077	2.3560***	1.3819	2.2373**
<b>Purposive</b>												
<b>Material</b>												
<b>Solidary</b>												
<b>Program Diversifications (Separate Programs)</b>	-.1752	.4034	-.1431	.3438	.8912	1.8623*	.7726	1.6738*	.3347	.7716	-.00930	.0224
<b># of Observations</b>	122		121		122		121		122		121	
<b>Pseudo R<sup>2</sup></b>	.2866		.2703		.3256		.3244		.1370		.1781	
<b>-2Log L</b>	165.256		164.514		169.644		168.967		138.073		137.881	
<b>Model Chi-Square</b>	49.007		44.815		58.897		58.107		23.751		26.214	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

t score calculated a  $\sqrt{\text{Wald Chi Square}}$

## SUMMARY OF ADVOCACY DEPENDENT VARIABLES

After reviewing the funding variables, the next step is to evaluate the advocacy variables as dependent variables. Table 4.4 displays the results when the composite advocacy variable (ADVOACT) is considered as the dependent variable. A regression model is used to estimate the parameters determining the effect of organizational characteristics, funding, alliance behavior and program diversification on advocacy activities of the organization. This table reports the findings of two scenarios.

The first model includes the funding variables (FEDMON), (STATEMON) and (LOCALMON). The second model includes the funding variable (CONTRACT). Both models include the organizational characteristics, contextual factors, alliance behavior variables (STATECOLL), (NATCOLL) and (ISSUECOLL) and the measure of program diversification (SEPPROGS).

In the first model, board size (BOARDSIZE) is positive and significant at the .01 level. The size of the staff, (STAFFFULL) is positive and significant at the .01 level. These variables have changed signs from the evaluation of funding as the dependent variables. In the previous section, it was determined that organizations with smaller staffs might be more likely to receive public funds. This model suggests that larger organizations with larger boards are more likely to participate in advocacy activities.

This finding may be plausible since organizations with larger staffs might have the time and resources to participate in advocacy activities, but none of the other organizational characteristics are significant. The *a priori* belief was that national affiliation (NATIONAL) or budget size (REVENUE) would be positive and significant.

Following the same reasoning, it was presumed that organizations with larger budgets and access to national resources and information might be more involved in advocacy. Since national affiliation (NATIONAL) is not significant in this advocacy model, national affiliations might be helpful in other ways besides assistance with advocacy . Another possible explanation is that advocacy may be essentially the responsibility of the local organization.

In fact, none of the other organizational or contextual factors are significant. The importance of the devolution (DEVOLUTION) and competition for resources (COMPFIERCE) were predicted to be important, but according to the analysis, these factors are not significant. The presumption was that devolution would be significant because it is an important public policy shifting funds from the federal to the state level. Therefore, concern about devolution (DEVOLUTION) would be an important factor in encouraging non-profit organizations to participate in advocacy efforts. But the analysis does not reflect this reasoning, since most of the organizational characteristics are not significant and none of the contextual factors are significant in this model for ADVOACT.

Of the three funding variables included in this model, STATEMON is the only funding variable that is positive and significant at the .01 level. In Table 4.3, ADVOACT was positive and significant in each of the three federal, state and local funding models when FEDMON, STATEMON and LOCALMON were the dependent variables. However, in this table, only STATEMON is significant when ADVOACT is

the dependent variable. Therefore, receiving state money seems to be very important in explaining advocacy behavior.

The state level measure of alliance behavior (STATECOLL) is negative and significant at the .05 level while the national level measure (NATCOLL) is positive and significant at the .10 level and (ISSUECOLL) is not significant. In the previous table when funding was the dependent variable, the signs were reversed for these two variables. When evaluating (ADVOACT) as the dependent variable, state alliance behavior is negatively related to advocacy behavior, but participation in national level alliance behavior is positive. The measure of program diversification (SEPPROGS) is positive and significant at the .05 level.

In the second model for the dependent variable (ADVOACT), CONTRACT is included as the funding variable. In this model, the only significant organizational characteristic is board size (BOARDSIZE), which is positive and significant at the .10 level. None of the contextual variables are significant. It is surprising that once again, DEVOLUTION is not significant.

However, the funding variable government contracting (CONTRACT) is positive and significant at the .01 level. National level alliance behavior (NATCOLL) is positive and significant at the .10 level, but neither STATECOLL or ISSUECOL are significant. The measure of program diversification (SEPPROGS) is positive and significant at the .01 level.

In these models, some of the organizational characteristics which emerged in previous models of the dependent variables are not significant. Only BOARDSIZE

seems positively related to advocacy activities. Of the funding variables only STATEMON and CONTRACT are positively related to advocacy activities. The presumption that devolution would be an important factor affecting advocacy is not confirmed by either model for ADVOACT.

Based on the results in these models, it appears that larger organizations with diverse programs and large boards are more involved with advocacy. In addition, advocacy activities are positively affected by participation in national level alliance activities and negatively affected by state level alliances. The difference in sign of the coefficients for NATCOLL and STATECOLL is unexpected. This difference may be attributable to the dependent variable ADVOACT which is the aggregate advocacy variable. In the next models, with the separate advocacy variables, the sign and direction of the alliance variables will be evaluated to see if the difference in signs is consistent.

One of the central expectations of the study is that there is a positive relationship between funding and advocacy behavior. The significance of CONTRACT and STATEMON confirms the basic hypothesis. In addition, the consistent significance of program diversification (SEPPROGS) in both models indicates a positive relationship between diverse programs and advocacy which is consistent with the hypothesis.

The contextual factors which emerged as significant in previous models are not significant with ADVOACT as the dependent variable. This finding is puzzling since the contextual factor, concern about devolution, (DEVOLUTION) was thought to be a key predictor in motivating organizations to become involved in advocacy. None of the contextual factors emerge as significant.

When reviewing the alliance behavior, STATECOLL and NATCOLL are only significant with the combination of FEDMON, STATEMON and LOCALMON. It is interesting to see that ISSUECOLL drops out as significant in both models. The measure of program diversification (SEPPROGS) emerges as significant, leading to the reevaluation of the previous models where SEPPROGS was only positive and significant with STATEMON as the dependent variable.

These results indicate that advocacy activities are directly affected by funding and program diversity more than by organizational characteristics. These models generally confirm the basic hypothesis that funding, alliance behavior, and program diversity affect advocacy as measured by ADVOACT.

The most surprising finding for ADVOACT as the dependent variable is the opposite signs of the alliance variables at the national and state level. The literature, research and experience suggested that participation in state level alliance behavior might be the most positive independent variable. However, the findings indicate a negative relationship. The only conclusion might be that ADVOACT measure the advocacy activity of the organization separate from its participation in state alliance activities. However, the national level variable (NATCOLL) was positive, which further complicates the scenario. The next step will be to determine if these alliance behavior variables behave the same way when part of models with the separate advocacy variables. The connection between funding and alliance behavior is one of the critical linkages evaluated in the study. The findings thus far indicate that these relationships may be more complex than anticipated.

**Table 4.4: Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**

Dependent Variable:	ADVOACT		ADVOACT	
	Advocacy Aggregate Weighted Model		Advocacy Aggregate Weighted Model	
	b	t score	b	t score
Intercept	-1.400642	-.587	-1.579026	-.634
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	-.646681	-.687	-.478212	-.476
Size of Board (Board size)	.055324	2.814***	.035900	1.769*
Number of Full-Time Staff (Stafffull)	.002836	1.995**	.000794	.513
Budget Size of Organization (Revenue)	.256245	1.414	.223030	1.199
National Affiliation (National)	.528127	.647	.457902	.548
Education of CEO (Educeo)	-.436988	-.860	-.377200	-.705
Race of CEO (Raceceo)	-.641238	-.566	-.920350	-.753
Age of Organization (Orgage)	-.016238	-.844	-.008357	-.408
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	.326301	1.166	.443441	1.540
Duplication of Resources (Duplica)	.322475	1.159	.297260	1.030
Fierce Competition for Resources (Compfierce)	.135493	.509	.054916	.199
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)			2.103599	2.606***
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)	.758229	.876		
State Money (Statemon)	2.354544	2.685***		
Local Money (Localmon)	.116623	.118		
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advoact)				
Meeting with Elected Officials (Visitad)				
Tracking Legislation (Trackad)				
Grass Roots Advocacy (Grassad)				
<b>Coalition/Alliance Behavior</b>				
Aggregate Coalition Measure (Coalition)				
State Alliance (State collaboration)	-1.685673	-2.037**	-1.305768	-1.551
National Alliance (National coll.)	2.037180	2.291**	1.477014	1.624*
Issue Alliance (Issue coll.)	-.215208	-.242	-.217273	-.237
Program Diversifications (Separate Programs)	1.229249	2.221**	1.494972	2.626***
<b>R Square</b>	.4021		.3560	
<b>Adj. R.Square</b>	.2966		.2509	
<b>df-degrees of freedom</b>	120		114	
<b>F</b>	3.811		3.386	
<b>Prob (F)</b>	.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

Table 4.5 displays the results for the separate advocacy variables. The dependent variables are meeting with elected officials (VISITAD), tracking legislation (TRACKAD), and grass roots advocacy (GRASSAD). Since these are composite variables, a regression model is used to estimate the parameters. Two models are reported for each dependent variable. The first model includes the funding variable CONTRACT. The second model includes the separate funding variables for federal money (FEDMON), state money (STATEMON) and local money (LOCALMON). Both models include all the organizational characteristic variables, contextual variables and the measure of program diversification.

The first pair of models are for the dependent variable for meeting with elected officials (VISITAD) which is an aggregate of the federal level variable (FEDVISIT), state level variable (STAVISIT) and local level variable (LOCVISIT). In the first model, the only significant organizational characteristic is the education of the CEO (EDUCEO), which is negative and significant at the .10 level. None of the organizational characteristics which emerged as significant in previous models are significant in this model. Neither staff size (STAFFFULL) nor board size (BOARDSIZE) are significant in this model. The negative sign on the education of the CEO was not expected since the presumption was that the education of the CEO would be positive. It makes sense that better educated CEOs would be active in advocacy activities and would know to contact local elected officials. However, less well educated CEO's may only know to contact an elected officials. The education of the CEO rarely emerges as positive in any models.



The only contextual factor that is significant is DEVOLUTION, which is positive and significant at the .10 level. None of the other contextual factors are significant. The significance of DEVOLUTION is consistent with the hypothesis which suggests that concern about devolution is a motivating factor for organizations to participate in advocacy activities. CONTRACT is positive and significant at the .01 level which re-enforces the expectation of the importance of funding in organizational behavior.

The presumption was that CONTRACT, DEVOLUTION and the alliance behavior variables would be positive. The only significant alliance variable is the state level alliance measure (STATECOLL), which is negative and significant at the .01 level. This result is unexpected since participation in state level alliance behavior and in state level advocacy, meeting with elected officials (VISITAD), were thought to be positively related. One possible reason for STATECOLL to be negative with the dependent variable VISITAD would be that a non-profit leader who is not part of a statewide coalition, might have to meet individually with elected officials. The measure of program diversification (SEPPROGS) is positive and significant at the .01 level which is consistent with the expectations. This model makes sense because organizations with multiple programs, which receive contract funds, but have poorly educated CEO are likely to go meet with elected officials. As hypothesized, funding in the form of contracts (CONTRACT) is the most powerful indicator of advocacy behavior in this model.

In the second model for VISITAD, the significant organizational characteristics are board size (BOARDSIZE), which is positive and significant at the .05 level, the size of the staff (STAFFFULL), which is positive and significant at the .10 level, and the education of the CEO (EDUCEO), which is negative and significant at the .10 level. None of the other organizational factors are significant. Only the contextual variable competition for resources is fierce (COMPFIERCE) is positive and significant at the .10 level. All three separate funding variables are significant. Federal money (FEDMON) is positive and significant at the .10 level. State money (STATEMON) is positive and significant at the .01 level. Local money (LOCALMON) is negative and significant at the .10 level. The funding variables indicate that organizations which receive state and federal funds are engaged in meeting with elected officials.

The alliance behavior is different than expected because STATECOLL is negative and significant at the .01 level, while NATCOLL is positive and significant at the .10 level, and ISSUECOLL is not significant. The presumption was that both STATECOLL and NATCOLL would be positive since both STATEMON and FEDMON were positive. However, meeting with elected officials may not be as dependent on alliance participation as suspected. The organizational complexity as measured by program diversification (SEPPROGS) is positive and significant at the .01 level which may mean that more diverse organizations need to participate in direct advocacy activities.

When reviewing the models for the dependent variable meeting with elected officials (VISITAD), some of the organizational characteristics that emerged in previous

models of dependent variables are significant. **BOARDSIZE** seems positively related to advocacy activities. The funding variables **CONTRACT**, **STATEMON**, **FEDMON** are positive and significant. Only **LOCALMON** is negative and less significant. The consistent significance of program diversification (**SEPPROGS**) across the models seems to indicate a positive relationship between organizations with multiple programs and advocacy activity which is consistent with the hypothesis.

These findings for **VISITAD** are somewhat similar to the models for **ADVOACT**. The contextual factors which had emerged as significant in previous models are mixed with **VISITAD** as the dependent variable. **DEVOLUTION** is significant with **CONTRACT** and **COMPFIERCE** is significant with the separate funding variables (**STATEMON**), (**FEDMON**), and (**LOCALMON**). It is surprising that state level alliance behavior (**STATECOLL**) is negative and national level alliance behavior (**NATCOLL**) is positive, while issue alliance behavior (**ISSUECOLL**) drops out as significant in these models.

One possible explanation for this scenario is that meeting with elected officials is an activity that an organization would conduct regardless of its participation in other alliances. It was presumed that state level funding and alliance behavior might be positive with the dependent variable **VISITAD**, since this type of direct advocacy activity is probably easier at the state level with elected officials.

Thus far, these results for **ADVOACT** and **VISITAD** indicate that advocacy activities are directly affected by funding and program diversity more than by organizational characteristics. These models generally confirm the basic premise of the

hypothesis that there is a positive relationship between funding, advocacy activity and program diversity. Considering these results for the first advocacy variable VISITAD, it will be interesting to see if STATECOLL and NATCOLL remain significant with opposite signs in the next variable.

The next models are for the dependent variable TRACKAD which is an aggregate of the variables for the tracking of legislation at the federal level (FEDTRACK), state level (STATRACK), and local level (LOCTRACK). In the first model, none of the organizational or contextual factors are significant. The funding variable CONTRACT is positive and significant at the .05 level. However, none of the alliance behavior variables or the measure of program diversification (SEPPROGS) are significant.

In this case, what is not significant is as interesting as what is significant. Only CONTRACT is significant, which indicates that tracking legislation is affected by government funding, but no other variables emerge as significant. The tracking of legislation was presumed to be a function completed by smaller non-profit organizations that might not have the capacity for other advocacy efforts. It is surprising that none of the organizational characteristics that are routinely emerging are significant in this model.

In the next model, the separate funding variables that are included generate similar results to the models for VISITAD. When STATEMON, FEDMON and LOCALMON are in the model, board size (BOARDSIZE) is positive and significant at the .05 level and the size of the staff (STAFFFULL) is positive and significant at the .10

level. The only significant contextual variable is competition for resources (COMPFIERCE), which is positive and significant at the .10 level. Of the funding variables, only STATEMON is positive and significant at the .01 level. The alliance variables retain their direction since STATECOLL is negative and significant at the .10 level, while NATCOLL is positive and significant at the .05 level. In this model, SEPPROGS is not significant, meaning that program diversification is not a factor in tracking legislation.

When reviewing the dependent variable, TRACKAD, board size and staff size were expected to be positive and significant. Board size is positive indicating that organizations with larger boards have more opportunities or more resources to be involved in advocacy. The significance of CONTRACT and STATEMON are consistent with the hypotheses.

The different signs on STATECOLL and NATCOLL are unexpected. The concerns about STATECOLL may be answered by organizations participating in tracking legislation regardless of their coalition and alliance behavior. It does make sense to think that participation in state level alliances makes an organization less likely to track legislation if that service is being provided by the coalition.

Unlike some of the other models of dependent variables, DEVOLUTION is not significant in these models, but COMPFIERCE is positive in one model. Program diversification is not a significant factor affecting tracking of legislation.

In the next models, the dependent variable for grass roots advocacy (GRASSAD) is evaluated. GRASSAD is the aggregate of federal grass roots advocacy (FEDGRASS),

state level grass roots advocacy (STAGRASS), and local level grass roots advocacy (LOCGRASS). In the first model, the only organizational characteristic that is significant is board size (BOARDSIZE) which is positive and significant at the .01 level. The race of the CEO (RACECEO) is positive and significant at the .10 level. This indicates that minority led organizations are more likely to participate in grass roots advocacy.

Of the contextual variables, DEVOLUTION is not significant, but concern about duplication of services (DUPLICA) is positive and significant at the .10 level. However, concern about competition for resources (COMPFIERCE) is negative and significant at the .10 level. These findings suggest that concern about duplication contributes to grass roots advocacy while concern about competition for resources reduces grass roots advocacy.

In reviewing the effect of the funding and alliance variables, the findings are not as expected since CONTRACT is not significant. State (STATECOLL) and national level alliance behavior (NATCOLL) are not significant. Only issue level alliance behavior (ISSUECOLL) is negative and significant at the .01 level. The measure of program diversification, (SEPPROGS) is not significant. Therefore, one could speculate that smaller organizations with a narrow focus led by minority CEO's who are concerned about duplication of services are engaged in grass roots advocacy.

In the next model, the separate funding variables are included. Once again, some of the expected organizational characteristics emerge as significant. Board size (BOARDSIZE) is positive and significant at the .01 level. The size of the staff

(STAFFFULL) is positive and significant at the .05 level. The size of the budget (REVENUE) is positive and significant at the .10 level. The same contextual variables are significant in this model, concern about duplication of services (DUPLICA) is positive and significant at the .05 level and competition for resources (COMPFIERCE) is negative and significant at the .10 level. In the previous model, CONTRACT was not significant. In this model, only federal money (FEDMON) is positive and significant at the .05 level. Once again, neither STATECOLL or NATCOLL are significant, but ISSUECOLL is negative and significant at the .01 level. The measure of program diversification is not significant either.

The models for grass roots advocacy yield interesting and unpredicted results. The size of the board seems to be important in both models, but not necessarily the size of the staff. The funding variables are not significant nor is the contextual factor DEVOLUTION. The concern about competition for resources (COMPFIERCE) and duplication of efforts (DUPLICA) emerge in these models more consistently than in others. Grassroots advocacy is affected by smaller organizations that are concerned about competition, but do not participate in coalitions, collaborations or alliances. The race of the CEO (RACECEO) is rarely significant, but does emerge in the first model. This may be an important clue about grass roots advocacy.

The results for the advocacy variables support the hypotheses because contract funding and state funding are important in most cases. In three of the four advocacy variables, CONTRACT and STATEMON are positive and significant, FEDMON is positive and significant in two models and LOCALMON is barely significant in one

model. The size of the board is frequently positive and significant, but few of the other organizational characteristics are significant.

Based on the results of the previous models, DEVOLUTION was expected to be significant. However, it is duplication of resources (DUPLICA) and competition for resources (COMPFIERCE) that emerge as significant in the last models for grass roots advocacy. In the other models, the contextual factors are not significant. It was anticipated that devolution (DEVOLUTION) would be a significant factor in advocacy behavior. It seems that competition for resources (COMPFIERCE) and concern about duplication (DUPLICA) are also important.

The alliance variables are not behaving as anticipated. Across the board in these models, state alliance behavior (STATECOLL) is negative and national alliance behavior (NATCOLL) is positive, while issue alliance (ISSUECOLL) is negative in one model. It was thought that most advocacy activities might take place at the state level and that state level alliance behavior would be positive and significant. Therefore, it is surprising that national level alliance behavior is positive in the models for the advocacy variables as the dependent variables.

In all the models for advocacy as the dependent variables, NATCOLL and STATECOLL have had opposite signs. As mentioned, the significance of NATCOLL was not predicted, because it was thought that most advocacy and alliance activities would take place on the state level. In the next section, the alliance behavior variables will be evaluated as dependent variables. It will be interesting to note if the advocacy variables are significant with the alliance variables.



**Table 4.5: Multivariate Models Estimating the Effect on Advocacy Behavior of Nonprofit Organizations**

Dependent Variable:	VISITAD				TRACKAD				GRASSAD			
	Meeting with Elected Officials		Meeting With Elected Officials		Tracking Legislation		Tracking Legislation		GRASS Roots Advocacy		GRASS Roots Advocacy	
	Weighted Model		Weighted Model		Weighted Model		Weighted Model		Weighted Model		Weighted Model	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-.091694	-.145	.007444	.012	-1.059189	-1.578	-.982152	-1.533	-.037635	-.083	-.281385	-.591
<b>Organizational Characteristics</b>												
United Way Member Agency (United Way)	-.178227	-.703	-.222584	-.929	-.173733	-.647	-.202895	-.808	.081228	.447	.023822	.128
Size of Board (Board size)	.006556	1.269	.011823	2.345**	.007430	1.358	.010557	1.999**	.009909	2.677***	.010690	2.722***
Number of Full-Time Staff (StaffFull)	.000513	1.300	.000865	2.369**	.000341	.815	.000662	1.731*	.000200	.707	.000598	2.100**
Budget Size of Organization (Revenue)	.033335	.704	.064630	1.391	-.019817	-.395	-.022089	-.454	.040188	1.184	.061318	1.694*
National Affiliation (National)	-.222047	-1.048	-.165684	-.793	.171303	.763	.232055	1.061	.111405	.733	.084619	.520
Education of CEO (Educeo)	-.247855	-1.819*	-.260056	-1.992*	.162955	1.129	.149890	1.096	-.048928	-.501	.005875	.058
Race of CEO (Raceceo)	-.274941	-.884	-.330972	-1.136	-.307067	-.931	-.266839	-.875	.366051	1.641*	.327861	1.445
Age of Organization (Orgage)	-.004022	-.773	-.004990	-1.011	-.001996	-.362	-.002827	-.547	-.002650	-.711	-.005159	-1.341
<b>Contextual Factors</b>												
Importance of Devolution (Devolution)	.138697	1.891*	.111107	1.546	.057205	.736	.039149	.520	.032746	.623	.019909	.356
Duplication of Resources (Duplica)	.013050	.178	.005751	.081	.052752	.680	.044193	.593	.098071	1.868*	.119617	2.156**
Fierce Competition for Resources (Compfierce)	.106809	1.522	.121139	1.772*	.082517	1.110	.115859	1.618*	-.090801	-1.806*	-.093693	-1.759*
<b>Funding Variables</b>												
Receiving Contract Funds (Contract)	.625472	3.045***			.450808	2.071**			.055555	.377		
State, Federal and Local Funding (Statefedloc)												
Federal Money (Fedmon)			.446945	2.021*			-.093993	-.406			.349005	2.026**
State Money (Statemon)			.624359	2.778***			.642490	2.730***			-.072169	-.412
Local Money (Localmon)			-.472216	-1.868*			-.021311	-.081			-.081136	-.412
<b>Advocacy Variables</b>												
Aggregate Advocacy Measure (Advocat)												
Meeting with Elected Officials (Visitad)												
Tracking Legislation (Trackad)												
Grass Roots Advocacy (Grassad)												
<b>Coalition/Alliance Behavior</b>												
Aggregate Coalition Measure (Coalition)												
State Alliance (State collaboration)	-.601193	-2.805***	-.681824	-3.212***	-.362995	-1.599	-.403997	-1.818*	-.070003	-.456	-.136124	-.823
National Alliance (National coll.)	.357014	1.544	.442007	1.940*	.390856	1.595	.500250	2.097**	.231616	1.397	.260310	1.467
Issue Alliance (Issue coll.)	.092971	.400	.139418	.614	.020252	.082	.069178	.291	-.443029	-2.658***	-.467004	-2.638***
Program Diversifications (Separate Programs)	.492076	3.401***	.423173	2.981***	.217745	1.420	.130094	.875	-.025500	-.246	.022353	.202
R Square	.3958		.4237		.2460		.2894		.2335		.2515	
Adj. R Square	.2982		.3230		.1241		.1652		.1096		.1207	
df-degrees of freedom	115		121		115		121		115		121	
F	4.054		4.207		2.018		2.330		1.885		1.923	
Prob (F)	.0001		.0001		.0188		.0041		.0306		.0216	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

## SUMMARY OF ALLIANCE VARIABLES

Table 4.6 reports the selected models the dependent variables state alliance behavior (STATECOLL), national alliance behavior (NATCOLL) and issue alliance behavior (ISSUECOLL). Since these are dichotomous variables, logit models are used to estimate the parameters. In the models reported, all the organizational characteristic variables, contextual variables and the measure of program diversity are included. In the first model for state alliance behavior, CONTRACT is included. In all the subsequent models the variables for federal funding (FEDMON), state funding (STATEMON) and local funding (LOCALMON) are included. All the models include the separate advocacy variables meeting with elected officials (VISITAD), tracking legislation (TRACKAD) and grass roots advocacy (GRASSAD). Since this table reports the alliance behavior models, three additional variables are included: MATERIAL, PURPOSIVE and SOLIDARY to determine the reasons for participation in alliance behavior.

In the first model, state level alliance behavior (STATECOLL) is the dependent variable. Some of the organizational characteristics which emerged in the previous models are no longer significant. Board size (BOARDSIZE) and staff size (STAFFFULL) are not significant, but budget size (REVENUE) is positive and significant at the .10 level. This is one of the few times when REVENUE emerges as significant. Another change in the results is that the race of the CEO (RACECEO) is negative and significant at the .05 level. It is also interesting to note that organizational age (ORGAGE) is negative and significant at the .05 level.

When reviewing the other independent variables, none of the contextual factors are significant, but CONTRACT is positive and significant at the .10 level. The only advocacy variable that is significant is meeting with elected officials (VISITAD) which is negative and significant at the .01 level. The measure of program diversification (SEPPROGS) is positive and significant at the .01 level. These findings indicate that “younger” organizations with larger budgets and diverse programs that do not have minority CEOs, but who contract with government are participate in state coalition activities.

In the second model for STATECOLL, the separate funding variables are included. In this analysis, there are similar results to the first model. Budget size (REVENUE) is positive and significant at the .01 level, but neither staff size (STAFFFULL) or board size (BOARDSIZE) are significant. The race of the CEO (RACECEO) is negative and significant at the .01 level, but the education of the CEO (EDUCEO) is not significant. None of the contextual variables devolution (DEVOLUTION), concern about duplication of efforts (DUPLICA) or competition for resources (COMPFIERCE) are significant. Once again, the size of the budget (REVENUE) and the race of the CEO (RACECEO) are the most important organizational characteristic variables determining state alliance behavior.

In addition, FEDMON is positive and significant at the .10 level and STATEMON is positive and significant at the .01 level, but LOCALMON is not significant. The importance of the state and federal funding variables are consistent with the hypothesized relationships, but the advocacy variables are not behaving as expected.

Of the advocacy variables, only VISITAD is negative and significant at the .01 level.

This is the first model where any of the variables indicating reasons for joining an alliance, interest group or association are significant. Only PURPOSIVE is positive and significant at the .10 level. Once again, the measure of program diversification (SEPPROGS) is positive and significant at the .01 level.

These findings indicate that larger organizations that do not have minority CEOs receive state and federal funds and participate in state level alliance behavior for purposive reasons of ideological satisfaction. In both models, the funding variables are positively related to state coalition activities. The relationship between diverse programs and coalitions/alliance behavior is consistent with the hypothesis.

These results indicate that coalition activities are directly affected by organizational budget size. These models generally confirm the basic premise of the hypothesis that there is a positive relationship between funding, coalition behavior, and program diversity. However, none of the contextual variables DEVOLUTION, DUPLICA or COMPFIERCE are significant. These variables were predicted to be significant with the alliance variables since these factors were thought to encourage alliance behavior and advocacy behavior.

The only advocacy variable that is significant in either model is VISITAD, which is negative. In the previous models when the advocacy variables were analyzed as the dependent variables, STATECOLL was negative. Now, in these models, VISITAD is negative. The connection between advocacy and alliance behavior may indicate that the less direct advocacy an organization participates in, the more important it is to be

involved with a collaborative. Another interpretation may be that if the organization is doing direct advocacy, then it does not need to be part of a collaborative, association or coalition. This connection between advocacy and alliance behavior is important to track through the next models for national and issue alliance behavior to see if a pattern emerges.

In the model of national alliance behavior (NATCOLL), neither board size (BOARDSIZE) or staff size (STAFFFULL) are significant, but budget size (REVENUE) is positive and significant at the .01 level. The variable for national affiliation (NATIONAL) emerges as positive and significant at the .01 level indicating that national organizations are more likely to be involved in national level alliance behavior. Once again, the race of the CEO (RACECEO) is negative and significant at the .01 level. Since race is significant, it is interesting that the education of the CEO (EDUCEO) is not significant in these models. Another change is that organizational age is not important in this model, but it was in the STATECOLL model.

Another difference in the national alliance (NATCOLL) model is that competition for resources (COMPFIERCE) is negative and significant at the .01 level, but concern about devolution (DEVOLUTION) and duplication of resources (DUPLICA) are not significant. None of these variables were significant in the model for STATECOLL. Organizations that are not concerned about resources are participating in national level alliance activities.

In the NATCOLL model, none of the MATERIAL, SOLIDARY or PURPOSIVE variables emerged as significant in these models. Another unexpected

result is that none of the funding, advocacy, reasons for alliance membership and program diversification variables are significant when NATCOLL is the dependent variable. Therefore, these findings indicate that organizations with larger budgets and national affiliations with majority CEOs who are not concerned about resources participate in national level alliance behavior.

The insignificance of the funding and advocacy variables is puzzling since these were thought to be key predictors in motivating organizations to become involved in coalitions. These results indicate that coalition activities are directly affected by some organizational characteristics, but funding and advocacy do not seem to be connected to alliance behavior. These models generally do not confirm the hypothesis that there is a positive relationship between coalition behavior, advocacy activity and program diversity.

In the next model, issue alliance behavior (ISSUECOLL) is the dependent variable. Board size (BOARDSIZE) is positive as significant at the .01 level. Budget size (REVENUE) is positive and significant at the .05 level. National affiliation (NATIONAL) is negative and significant at the .10 level. The education of the CEO (EDUCEO) is positive and significant at the .01 level. Organizational age (ORGAGE) is negative and significant at the .10 level. The race of the CEO (RACECEO) is not significant.

In this model, the contextual variables are significant. Concern about devolution (DEVOLUTION) is positive and significant at the .05 level. Concern about duplication of resources (DUPLICA) is positive and significant at the .05 level. Competition for

resources (COMPFIERCE) is negative and significant at the .01 level. The significance of the contextual factors in this model are consistent with the predicted results indicated that concern about devolution and duplication of resources are reasons for participating in alliance activities.

In the model for NATCOLL, federal money (FEDMON) is positive and significant at the .10 level, but state money (STATEMON) is negative and significant at the 10 level. Local money (LOCALMON) is not significant. In the model for STATECOLL, federal money was also positive and significant. It seems that federal money is more important contributing to alliance behavior.

As previously mentioned, the advocacy variables are not behaving as expected. For ISSUECOLL, neither meeting with elected officials (VISITAD) or tracking legislation (TRACKAD) are significant, but grass roots advocacy (GRASSAD) is negative and significant at the .01 level. This finding suggests that not participating in grass roots advocacy is an important indicator of participation in issue alliance behavior.

Another interesting finding is that none of the MATERIAL, SOLIDARY or PURPOSIVE variables emerged as significant in the ISSUECOLL model. In addition to this finding, the measure of program diversification is not significant. These findings indicate that organization size and capacity are important in determining participation in issue alliance behavior. Organizations that receive federal money, have large budgets and bigger boards, are not affiliated with national organizations, have educated CEOs and do not participate in grass roots advocacy activities, but do participate more in issue coalitions or alliances. These results indicate that issue coalition activities are directly

affected by some organizational characteristics and funding, but the advocacy variables do not generally seem to be connected to alliance behavior.

When reviewing Table 4.6, the four models for alliance behavior suggest some interesting relationships. For example, state funding (STATEMON) is positive with STATECOLL, not significant with NATCOLL and negative with ISSUECOLL. Federal funding (FEDMON) is positive with STATECOLL, not significant with NATCOLL and positive with ISSUECOLL. Program diversification (SEPPROGS) is significant only with STATECOLL. The biggest surprise is that of the advocacy variables, only VISITAD is negative with STATECOLL and GRASSAD is negative with ISSUECOLL. These models suggest that there is a relationship between funding, coalition behavior, advocacy activity and program diversity.

In these models for alliance behavior, the variables (MATERIAL), (PURPOSIVE) and (SOLIDARY) are included to determine reasons for participating in alliances. Based on the interest group literature, it was suggested that organizations might join together for specific tangible and intangible reasons. In all these models, PURPOSIVE was the only significant variable and was only significant with STATECOLL. Even though some of the results were not as anticipated, it was predicted that organizations might participate in state level alliances for ideological reasons. It is interesting to note that neither MATERIAL nor SOLIDARY emerge as significant in any of the models. There is more to be learned about the reasons for organizational participation in alliances. Unfortunately, this study only grazes the surface of the analysis that is merited to determine reasons for participation.



**Table 4.6 Logistic Regression Models Estimating the Funding on Alliance Behavior of Nonprofit Organizations**

**Dependent Variable:** STATECOLL NATCOLL ISSUECOLL

	State Alliance		State Alliance		National Alliance		Issue Alliance	
	Weighted Model		Weighted Model		Weighted Model		Weighted Model	
	b	t score	b	t score	b	t score	b	t score
Intercept	-4.5893	1.9294**	-5.3233	2.0729**	-1.6289	.5732	-10.8688	3.0088***
<b>Organizational Characteristics</b>								
United Way Member Agency (United Way)	.2298	.3262	.3029	.3395	.2479	.3419	.1727	.1982
Size of Board (Board size)	.0115	.5499	.0263	1.2361	.00351	.1338	.0865	2.8132***
Number of Full-Time Staff (Stafffull)	.00222	.6441	.00421	.7225	.0286	.9203	.00124	.9740
Budget Size of Organization (Revenue)	.2784	1.8199*	.4162	2.3383***	.7425	2.6260***	.6763	2.2051**
National Affiliation (National)	-.6447	1.1492	-.3916	.6319	1.3422	1.9697**	-1.3750	1.6489*
Education of CEO (Educeo)	-.5285	1.38	-.6652	1.5504	-.4803	1.1837	1.3149	2.3928***
Race of CEO (Raceceo)	-1.7791	2.1438**	-2.5269	2.933***	-5.1769	2.5318***	-.3226	.3251
Age of Organization (Orgage)	-.0233	1.6167*	-.0231	1.4934	-.00234	.1411	-.0417	1.7947*
<b>Contextual Factors</b>								
Importance of Devolution (Devolution)	.1187	.55	.0823	.3618	-.1518	.6199	1.0294	2.1835**
Duplication of Resources (Duplica)	.2895	1.4770	.2611	1.2154	.0722	.3209	.5603	1.9880**
Fierce Competition for Resources (Compfierce)	.0251	.13266	-.0171	.0354	-.5404	2.3856***	-.7383	2.8095***
<b>Funding Variables</b>								
Receiving Contract Funds (Contract)	1.0029	1.7239*						
State, Federal and Local Funding (Statefedloc)								
Federal Money (Fedmon)			1.3172	1.8123*	.3107	.4004	1.4647	1.8672*
State Money (Statemon)			2.1654	2.8424***	-.8873	1.1913	-1.5859	1.8268*
Local Money (Localmon)			-1.2851	1.5150	-.3203	.3829	1.1013	1.3525
<b>Advocacy Variables</b>								
Aggregate Advocacy Measure (Advocat)								
Meeting with Elected Officials (Visitad)	-.8296	2.4104***	-1.2204	2.8347***	.0803	.2112	.5715	1.3641
Tracking Legislation (Trackad)	-.0680	.2214	-.0675	.1339	.5066	1.1857	.4094	1.0175
Grass Roots Advocacy (Grassad)	.6022	1.256	.8352	1.4348	.0479	.0911	-1.8155	2.7939***
<b>Coalition/Alliance Behavior</b>								
Aggregate Coalition Measure (Coalition)								
State Alliance (State collaboration)								
National Alliance (National coll.)								
Issue Alliance (Issue coll.)								
Purposive	.1359	.9539	.2806	1.7361*	.1546	.8841	-.2287	1.0598
Material	.0520	.5951	.0205	.2076	-.0149	.1353	-.0318	.2634
Solidary	-.0108	.0824	-.0108	.0701	.1038	.6826	.1986	.9880
<b>Program Diversifications (Separate Programs)</b>	1.3201	3.0744***	1.2626	2.5598***	.2018	.3891	.4322	.7542
<b>Number of Observations</b>	111		117		117		117	
<b>Pseudo R<sup>2</sup></b>	.2874		.3303		.3520		.3726	
<b>-2Log L</b>	161.384		167.544		164.634		151.456	
<b>Model Chi-Square</b>	.44764		.59.825		.63.569		.69.475	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

t score calculated a  $\sqrt{\chi^2}$  of Wald Chi Square

## SUMMARY OF PROGRAM DIVERSIFICATION

Table 4.7 displays the results when the dependent variable is program diversification (SEPPROGS) as measured by the number of separate programs. Because of the nature of this variable, a regression model is used to estimate the parameters. The basic model suggests that programs which receive government funding may have diversified in an effort to remain sustainable. All the models generated with the different combinations of funding, advocacy and alliance variables are not reported in the text.

Only two representative models are discussed in this section. The additional models are in Appendix D. Both models reviewed include the organizational characteristics, contextual factors, separate funding and alliance variables. The only difference in the reported models is the inclusion of different advocacy variables. In the first model, the separate advocacy variables VISITAD, TRACKAD, and GRASSAD are included. In the second model, the aggregate advocacy variable (ADVOACT) is included.

In the first model, the number of full time staff (STAFFFULL) is positive and significant at the .01 level. The national affiliation of the organization (NATIONAL) is positive and significant at the .01 level. None of the contextual factors and none of the funding variables are significant. The only advocacy variable that is significant is meeting with elected officials (VISITAD) which is positive and significant at the .01 level. Of the alliance variables, only state level alliance behavior (STATECOLL) is positive and significant at the .01 level.

In the second model, many of the same variables emerge as significant. The size of the staff (STAFFFULL) is positive and significant at the .01 level. National affiliation (NATIONAL) is positive and significant at the .01 level. Concern about duplication of efforts (DUPLICA) is negative and significant at the .10 level. Once again, none of the funding variables are significant. The aggregate measure of advocacy activity (ADVOACT) is positive and significant at the .05 level. The state level measure of alliance behavior (STATECOLL) is positive and significant at the .01 level.

When reviewing the models for the dependent variable, SEPPROGS, some of the organizational characteristics that emerged in previous models of dependent variables remain significant. Staff size (STAFFFULL) and National affiliation (NATIONAL) are significant in both models. Unlike previous models, the education of the CEO (EDUCEO) and the race of the CEO (RACECEO) are never significant. The contextual factors do not seem to play much of a role, since only concern about duplication of programs (DUPLICA) is significant in one model. None of the funding variables emerge as significant, which is surprising and contrary to the expected results. It was predicted that funding would be positively related to program diversification. However, the advocacy variables respond as expected. VISITAD and ADVOACT are positively related to program diversity as measured by SEPPROGS. In reviewing the alliance behavior variables, only STATECOLL emerges as significant.

These results indicate that program diversification (SEPPROGS) is affected by staff size and national affiliation. This finding makes sense because the more programs

an organization operates, the more staff is needed. National affiliation is also an indication of organizational sophistication and it expected that this would be positive with SEPPROGS. But by the same reasoning, one might expect REVENUE to be positively related as well. Based on the expectations, the age of the organization (ORGAGE) should be positive if the theory is correct that organizations diversify over time in search of funding. This expectation was not substantiated by the models.

Another expectation that was not met by these models was the prediction that funding would be an indication of program diversification. This aspect of the hypotheses was not validated because the funding variables are not significant in this model of program diversity. It was expected that government funding might be an indication of program diversity, since organizations were expected to diversify in order to seek funding.

Even though the expectations about funding were not validated by the models, the expectations about advocacy and alliance behavior are reflected in the models. Both VISITAD and ADVOACT are positive and significant indicating that advocacy does affect program diversification. In addition, STATECOLL is positive and significant in both models indicating that state alliance behavior is important in program diversification. Even though NATCOLL and ISSUECOLL are not significant, the model confirms the importance of STATECOLL and program diversification. These models generally confirm the basic premise of the hypothesis that there is a positive relationship between organizational characteristics, advocacy activity, state alliance behavior and program diversity.

**Table 4.7: Multivariate Models Estimating the Effect on Organizational Behavior of Nonprofit Organizations**

Dependent Variable:	SEPPROGS		SEPPROGS	
	Program Diversifications		Program Diversifications	
	Weighted Model		Weighted Model	
	b	t score	b	t score
Intercept	.943292	2.328**	1.117469	2.777***
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	.075649	.469	.048495	.294
Size of Board (Board size)	-.004824	-1.377	-.005569	-1.581
Number of Full-Time Staff (Stafffull)	.000642	2.615***	.000699	2.870***
Budget Size of Organization (Revenue)	-.047125	-1.486	-.046699	-1.477
National Affiliation (National)	.504704	3.786***	.457408	3.372***
Education of CEO (Educeo)	.007282	.079	-.046533	-.523
Race of CEO (Raceceo)	.155601	.781	.104227	.526
Age of Organization (Orgage)	.005010	1.517	.005185	1.555
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	.045678	.942	.059129	1.210
Duplication of Resources (Duplica)	-.056778	-1.171	-.081237	-1.683*
Fierce Competition for Resources (Compierce)	-.012134	-.253	.010943	.235
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)				
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)	-.141106	-.913	-.092573	-.611
State Money (Statemon)	.142693	.899	.173123	1.098
Local Money (Localmon)	.017041	.099	-.085395	-.496
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advoact)			.037530	2.221**
Meeting with Elected Officials (Visitad)	.227109	2.994***		
Tracking Legislation (Trackad)	-.050443	-.670		
Grass Roots Advocacy (Grassad)	-.054413	-.602		
<b>Coalition/Alliance Behavior</b>				
Aggregate Coalition Measure (Coalition)				
State Alliance (State collaboration)	.416940	2.913***	.370055	2.590***
National Alliance (National coll.)	-.027534	-.176	-.047495	-.298
Issue Alliance (Issue coll.)	.151722	.959	.229790	1.496
Purposive				
Maternal				
Solidary				
<b>Program Diversifications (Separate Programs)</b>				
R Square	.4480		.4235	
Adj. R Square	.3387		.3218	
df-degrees of freedom	121		120	
F	4.099		4.163	
Prob (F)	.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

## SUMMARY OF GRAY AND LOWERY VARIABLES

In the literature review, the work of Gray and Lowery was introduced to discuss some of the implications of alliance behavior and the factors affecting organizational behavior. Two questions were included in the survey to address the Gray and Lowery theory regarding the external forces affecting interest group membership. In order to address the theory of alliances modeled in the Lowery and Gray study, the following question was included in the study of Louisiana non-profit organizations: "In conducting your lobbying activity with the state legislature, how often do you consult, communicate, or cooperate with other organizations sharing your goals and also engaged in lobbying the state legislature?" In this survey, the question results were coded as the variable (CONSULTG). The second Gray and Lowery question is "In lobbying the state legislature, how often do you find yourself in direct competition with other organizations opposed to your position?" This question was coded as the variable (COMPOPPPO). The possible answers to both of these questions are the following: always, often, sometimes, rarely, never, and don't know.

The analysis was conducted using the basic model and the Gray and Lowery variables as the dependent variables. Because of the nature of these variables, regression models were used to estimate the parameters. The intent of this additional analysis is to determine if the same factors included in the model are significant in relation to the Gray and Lowery variables. Specifically, the study was interested in the linkage between the contextual factors, advocacy and alliance factors and their significance with these new dependent variables.

Table 4.8 displays the results for the Gray and Lowery variables, consulting with other organizations (CONSULTG) and competition with other organizations (COMPOPPPO). All the organizational characteristics, contextual factors, advocacy and alliance behavior variables are included in these models. Only the separate funding variables, FEDMON, STATEMON, LOCALMON are included. In the model for CONSULTG, none of the organizational or contextual variables are significant. Local money (LOCALMON) is the only funding variable that is positive and significant at the .05 level.

The dependent variable (CONSULTG) is measures if organizations work together on advocacy activities. Therefore, it is not surprising that all three advocacy variables are positive and significant. Meeting with elected officials (VISITAD) is positive and significant at the .05 level. Tracking legislation (TRACKAD) is positive and significant at the .01 level. Grass roots advocacy (GRASSAD) is positive and significant at the .05 level. The only alliance variable that is significant is state level alliance (STATECOLL) which is positive and significant at the .01 level. The variables MATERIAL, PURPOSIVE and SOLIDARY are not significant.

The presumption was made that NATIONAL and UNITEDWAY might be positive and significant, since the question essentially is asking about collaboration in advocacy and organizations with national affiliations or United Way agencies might be more likely to be concerned with or participate in advocacy activities. The dependent variable (CONSULTG) is based on the answers to the question, "In conducting your lobbying activity with the state legislature, how often do you consult, communicate, or

cooperate with other organizations sharing your goals and also engaged in lobbying the state legislature?” The presumption was that the contextual factors might be significant in encouraging participation in advocacy activities. It is also interesting to note that DEVOLUTION is negative but not significant and COMPFIERCE is not significant. It was predicted that DEVOLUTION and COMPFIERCE might be positive and significant in order to indicate reasons for organizations to consult with one another over limited resources. However, by the same logic, these variables might also be negative because of fear of competition over resources.

The significance of the advocacy variables is to be expected, since the dependent variable is presuming some level of advocacy activities. LOCALMON is the only funding variable that is significant. The fact that LOCALMON and VISITAD, TRACKAD and GRASSAD are significant is surprising, since LOCALMON has rarely been significant. It is also interesting to note that STATEMON is not significant, but that STATECOLL is significant. These findings indicate that there is a linkage with state level collaborations and advocacy in the intensity of communication about issues at the state legislative level.

The second Gray and Lowery question is “In lobbying the state legislature, how often do you find yourself in direct competition with other organizations opposed to your position?” This question was reported in the data as the variable COMPOPPO. In all model, the organizational characteristics, contextual factors, advocacy and alliance behavior variables are included. FEDMON, STATEMON, and LOCALMON



are included. In this model, none of the organizational or contextual variables are significant. Only LOCALMON is positive and significant at the .05 level, The only significant advocacy variable is grass roots advocacy (GRASSAD) which is positive and significant at the .05 level. The measure of program diversification (SEPPROGS) is positive and significant at the .05 level. None of the alliance variables are significant.

It was presumed that REVENUE or STAFFFULL might be positive and significant, since the question essentially is asking about competition in advocacy. Competition might be more obvious with larger organizations with more at stake. It is also interesting to note that DEVOLUTION and COMPFIERCE are not significant. It was thought that DEVOLUTION and COMPFIERCE might be positive and significant in order to indicate reasons for organizations to compete with one another over limited resources.

The significance of the advocacy variables is not as great as expected, since the dependent variable is presuming some level of advocacy activities. However, it is interesting to note that GRASSAD is the only significant variable. LOCALMON is the only funding variable that is ever significant. It is also interesting to note that STATEMON and STATECOLL are not significant. These findings indicate that there is not as much of a relationship with state level collaborations and advocacy in the intensity of competition about issues at the state legislative level. GRASSAD or grass roots advocacy has emerged as the most significant variable.

**Table 4.8: Multivariate Models Estimating the Effect on Organizational Behavior of Nonprofit Organizations (Gray and Lowery Variables)**

Dependent Variable:	CONSULTG		COMPPPO	
	Consulting with Other Groups		Competition with Other Groups	
	Weighted Model		Weighted Model	
	b	t score	b	t score
Intercept	.113992	.097	.302573	.227
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	.323765	.961	-.000807	-.002
Size of Board (Board size)	.002053	.203	.006434	.578
Number of Full-Time Staff (Stafffull)	-.000022618	-.043	-.000356	-.634
Budget Size of Organization (Revenue)	-.079803	-1.242	.028836	.419
National Affiliation (National)	.265278	.877	-.287604	-.856
Education of CEO (Educeo)	-.027600	-.140	-.329796	-1.436
Race of CEO (Raceceo)	.206170	.497	-.341311	-.764
Age of Organization (Orgage)	.005783	.320	.007043	.837
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	-.135307	-1.222	-.132594	-1.100
Duplication of Resources (Duplica)	.072184	.708	.011670	.107
Fierce Competition for Resources (Compfierce)	.022170	.229	.124432	1.162
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)				
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)	-.327039	-1.042	-.349535	-1.037
State Money (Statemon)	-.157610	-.464	-.246680	-.669
Local Money (Localmon)	.691310	1.986**	.716970	1.923**
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advocat)				
Meeting with Elected Officials (Visitad)	.351011	2.045**	.105018	.570
Tracking Legislation (Trackad)	.464839	2.985***	.253270	1.513
Grass Roots Advocacy (Grassad)	.381825	1.942**	.474632	2.254**
<b>Coalition/Alliance Behavior</b>				
Coalition Measure (Coalition)	.882694	2.860***	.402219	1.216
State Alliance (State collaboration)	-.008977	-.027	-.012304	-.032
National Alliance (National coll.)	.393016	1.203	-.430790	-1.214
Issue Alliance (Issue coll.)				
Purposive	.055654	.826	.094270	1.257
Material	.015023	.362	-.014082	-.316
Solidary	-.009867	-.159	.018161	.271
<b>Program Diversifications (Separate Programs)</b>	.001865	.009	.485014	2.219**
R Square	.5374		.4010	
Adj. R Square	.4097		.2319	
df-degrees of freedom	111		109	
F	4.210		2.371	
Prob (F)	.0001		.0020	

- \*\*\* Prob < 0.01, two-tailed test
- \*\* Prob < 0.05, two-tailed test
- \* Prob < 0.10, two-tailed test

## ESTIMATING RECIPROCAL RELATIONSHIPS

The next step in this analytical process is to evaluate the reciprocal relationships between the dependent variables. In the original model, certain reciprocal relationships between the dependent organizational behavior variables were hypothesized. A subset of variables were chosen to determine if any reciprocal relationships exist and to what extent these relationships might affect the analysis. The relationships tested and reported are STATEMON-STATECOLL and STATEMON-ADVOACT in tables 4.9 and 4.10.

In order to properly estimate these hypothesized reciprocal relationships, two stage least squares estimators are calculated. This method of estimation controls the simultaneity bias inherent in systems of equations of this sort.

The findings are interesting, but not surprising. However, not all possible inter-relationships were tested. In testing the reciprocal relationship for STATEMON and STATECOLL, the original models are evaluated first. When STATEMON was the dependent variable, STATECOLL was positive and significant at the .01 level. When STATEMON is the dependent variable in the new model, STATECOLL is positive, but not significant. When STATECOLL was the dependent variable in the original model, STATEMON was positive and significant. When STATECOLL is the dependent variable in the new model, STATEMON is positive and significant.

In the second model, in testing for reciprocal relationships for STATEMON and ADVOACT, the original models were evaluated first. When STATEMON was the dependent variable, ADVOACT was positive and significant at the .01 level. When STATEMON is the dependent variable in the new model, ADVOACT is positive and

significant at the .05 level. When ADVOACT was the dependent variable in the original model, STATEMON was positive and significant at the .01 level. When ADVOACT is the dependent variable in the new model, STATEMON is positive and significant at the .05 level again.

The analysis of these two combinations of variables suggests that a significant reciprocal relationship does not exist. In further analytical efforts, it may be appropriate to complete the comparison of other variables that the model suggests may have reciprocal relationships. However, for the purposes of this study, this cursory evaluation is sufficient to address any preliminary concerns.

Given these results, it does not seem to make much difference whether we estimate these relationships as a system of equations or equation by equation using Ordinary Least Squares. Given that no real differences were found, it is not clear whether more complicated modeling to study this is necessary. The potential for reciprocal relationships does exist in this model, but not much would be added by further analysis.

The underlying assumption is that we want to present the analysis as straightforwardly as possible. The ordinary least squares (OLS) analysis is the most appropriate method for this effort. However, given the cursory nature of this review, the issues of reciprocal relationships may be an area for further study. The potential exists for these interrelationships to have a significant impact on further studies, especially as funding relationships become more complex. The summary of the analysis will indicate other areas for additional research to evaluate these complex and integrated relationships.

**Table 4.9: Estimating Reciprocal Relationships**

Dependent Variable:	STATECOLL		STATEMON	
	State Alliances		State Money	
	b	t score	b	t score
Intercept	-6.0708	2.22968**	-3.6307	1.7803*
STMONHAT	5.8699	2.7548***		
STCOLHAT			1.6584	9169
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	.1323	.1682	.4551	.6291
Size of Board (Board size)	.0265	1.3082	-.0323	.9713
Number of Full-Time Staff (Stafffull)	.00870	1.2748	-.00918	1.9533**
Budget Size of Organization (Revenue)	.3514	2.0027	.2757	1.6138*
National Affiliation (National)	.2450	.3513	-.6419	.8819
Education of CEO (Educeo)	-.5993	1.4538	.2963	.6769
Race of CEO (Raceceo)	-2.5548	2.7666***	-.7971	.9519
Age of Organization (Orgage)	-.0121	.7831	-.0153	.7964
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	-.2221	.8558	.4574	1.7207*
Duplication of Resources (Duplica)	.3062	1.4667	-.0145	.0608
Fierce Competition for Resources (Compfierce)	.0225	.1072	-.2323	1.1059
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)				
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)	1.1241	1.4859		
State Money (Statemon)				
Local Money (Localmon)	-2.7854	2.3019**		
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advoact)				
Meeting with Elected Officials (Visitad)	-1.4650	3.0370***	.4096	1.1654
Tracking Legislation (Trackad)	-.3812	.9519	.7693	2.3702***
Grass Roots Advocacy (Grassad)	1.2077	1.689*	-.9159	1.7539*
<b>Coalition/Alliance Behavior</b>				
Aggregate Coalition Measure (Coalition)				
State Alliance (State collaboration)				
National Alliance (National coll.)			-1.8966	2.0436**
Issue Alliance (Issue coll.)			.1273	.1929
Purposive	.4537	2.376***		
Material	.0258	.2655		
Solidary	-.1137	.7630		
Program Diversifications (Separate Programs)	.8790	1.7617*	.9090	1.5861
# of Observations				
Pseudo R <sup>2</sup>				
-2Log L				
Model Chi-Square				
R Square				
Adj. R-Square	.3487		.3164	
df-degrees of freedom	117.		117	
F	167.544		165.136	
Prob (F)	60.476		53.952	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

t score calculated a  $\sqrt{\text{of Wald Chi Square}}$

**Table 4.10: Estimating Reciprocal Relationships**

Dependent Variable:	ADVOACT		STATEMON	
	Advoact		Statemon	
	b	t score	b	t score
Intercept	.304844	.091	-.4.3282	2.0704**
STMONHAT	6.780949	2.198**		
ADVOHAT			.7980	2.8324**
<b>Organizational Characteristics</b>				
United Way Member Agency (United Way)	-.463456	-.468	.8740	1.1248
Size of Board (Board size)	.073919	2.610***	-.0729	2.0618**
Number of Full-Time Staff (Stafffull)	.003683	2.406***	-.00902	2.5431***
Budget Size of Organization (Revenue)	.143748	.745	.0934	.5559
National Affiliation (National)	.861707	.918	-1.1621	1.6853*
Education of CEO (Educeo)	-.600739	-1.119	.8645	1.7896*
Race of CEO (Raceceo)	-.145946	-.114	-.5975	.7362
Age of Organization (Orgage)	-.006679	-.325	.000662	.04
<b>Contextual Factors</b>				
Importance of Devolution (Devolution)	.089101	.232	.2143	.8171
Duplication of Resources (Duplica)	.315258	1.070	-.2445	1.1156
Fierce Competition for Resources (Compfierce)	.250245	.834	-.2194	1.1208
<b>Funding Variables</b>				
Receiving Contract Funds (Contract)				
State, Federal and Local Funding (Statefedloc)				
Federal Money (Fedmon)	.660802	.733		
State Money (Statemon)				
Local Money (Localmon)	-1.897671	-1.116		
<b>Advocacy Variables</b>				
Aggregate Advocacy Measure (Advoact)				
Meeting with Elected Officials (Visitad)				
Tracking Legislation (Trackad)				
Grass Roots Advocacy (Grassad)				
<b>Coalition/Alliance Behavior</b>				
Aggregate Coalition Measure (Coalition)				
State Alliance (State collaboration)	-2.680061	-2.541***	2.2898	3.1535***
National Alliance (National coll.)	2.559072	2.454	-3.0363	3.2938***
Issue Alliance (Issue coll.)	.420079	.446	.3225	.5058
Purposive	.571929	2.477***		
Maternal	-.109645	-.915		
Solidary	-.446960	-2.055**		
Program Diversifications (Separate Programs)	.360112	.5962	.1558	.2898
# of Observations	.4248			
Pseudo R <sup>2</sup>	.2962			
-2Log L	115			
Model Chi-Square	3.305			
R Square	.0001			
Adj. R-Square			.117	
df-degrees of freedom			.3278	
F			165.136	
Prob (F)			57.066	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

t score calculated a  $\sqrt$  of Wald Chi Square

## SUMMARY OF ANALYSIS

The review of the models for the dependent variables yield some interesting results. None of the models directly mirrored the predicted the relationships, yet pieces of the hypothesized relationships emerged in each. In a model as relatively complex as the one in this study and given the additional considerations of reciprocal relationships, the results of the analysis are satisfactory.

### 4.11 Summary Of Dependent Variables

<b>FUNDING</b>	<b>ADVOCACY</b>	<b>ALLIANCE</b>	<b>DIVERSITY</b>
CONTRACT	ADVOACT	COALITION	SEPARATE PROGRAMS
STATEFEDLOC	VISITAD	STATECOL	
FEDMON	TRACKAD	NATCOLL	
STATEMON	GRASSAD	ISSUECOLL	
LOCALMON		CONSULTG	
		COMPOPO	

The models reported in the text are the selected weighted models that are representative of the analysis. The analysis generally supports the theory developed from the literature review. Appendix D. includes all the models completed for the analysis and should be consulted for further analysis. The significance of weighting the sample emerged in each iteration of dependent variables. Tracking the significance of variables from the unweighted models to the weighted models, generally improved the significance of most variables. Therefore, the decision to report only the selected weighted models is appropriate.

In terms of organizational characteristics, only **BOARDSIZE** and **STAFFFULL** routinely emerged as positive and significant across most models. National affiliation

(NATIONAL) seemed to be important in advocacy and some funding scenarios. Budget size as measured by REVENUE was not as significant as suspected. It is interesting to note that organizational age was rarely positive and significant.

It is interesting to note that RACECEO and EDUCCEO were rarely significant in the same models. Based on these findings, African-American CEOs were less likely to receive contracts. While better educated CEOs were more likely to participate in issue coalitions. These findings are consistent with the general expectations of the sector.

The contextual factors DEVOLUTION, concern about duplication of services (DUPLICA) and competition for resources is fierce (COMPFIERCE) were not consistently significant across the models. DEVOLUTION was predicted to be a positive influence on advocacy variables. This relationship existed but in most cases not with the intensity suspected. DUPLICA was rarely significant and this may not have been the best measure of the intended concept—interest in limiting duplication of efforts.

The connections between certain variables seemed to more consistent in terms of ADVOACT and VISITAD across models. It is interesting to see the emergence of both GRASSAD and TRACKAD in certain models where LOCALMON was also significant because LOCALMON was not significant in most models. The advocacy variables yield interesting results to see the connections with some of the funding variables. CONTRACT emerged as the most significant funding variable. But it is interesting that when ADVOACT was the dependent variable, and CONTRACT was included as the funding variable, none of the organizational or contextual variables were significant in the model. It is also interesting to note that program diversification (SEPPROGS) was



significant in the ADVOACT models. This finding leads one to believe that more sophisticated or complex organizations participate in advocacy.

At this point, a summary of the key dependent variables will help explain the significance of the study. When reviewing the analysis of the dependent variable CONTRACT, the race of the CEO is negative and significant. Board size and the number of full time staff are consistently positive and significant. The age of the organization is negative and significant across the weighted models. VISITAD, DEVOLUTION and STATECOLL are also positive and significant. Participation in state collaborations is also positive and significant. These findings are consistent with the primary hypothesis that the dependent variable contracting (CONTRACT) is affected by the organizational characteristics of board and staff size, the contextual factor DEVOLUTION, advocacy behavior as measured by VISITAD and alliance behavior as indicated by STATECOLL.

When reviewing the dependent variable FEDMON, organizational age (ORGAGE) is negative and significant. The contextual factor competition for resources is fierce (COMPFIERCE) is positive and significant. In terms of advocacy, ADVOACT and VISITAD are both positive and significant. Participation in state level collaborations as measured by STATECOLL is positive and significant. These findings are consistent with the hypothesis that federal funding is affected by advocacy and alliance behavior.

When reviewing the dependent variable STATEMON, the size of the staff as measured by STAFFFULL is negative and significant. The national affiliation

(NATIONAL) is negative and significant. Of contextual factors, DEVOLUTION is positive and significant. Of the advocacy behavior variables, TRACKAD and ADVOACT are positive and significant. Of the alliance behavior variables, STATECOLL is positive and significant, but NATCOLL is negative and significant. The measure of program diversity (SEPPROGS) is positive and significant. These findings are consistent with the hypothesis that state level funding is affected by the contextual factor DEVOLUTION, advocacy behavior and alliance behavior at the state level. In addition, organizational size as measured by the number of staff is not as significant as the diversity of programs.

When reviewing the dependent aggregated advocacy variable (ADVOACT), BOARDSIZE is positive and significant across most models. CONTRACT and STATEMON are all positive and significant. Participation in national level coalitions (NATCOLL) is positive and significant in all the weighted models. The measure of program diversity (SEPPROGS) is positive and significant across all the models. These findings are consistent with the hypothesis that advocacy is affected by funding, alliance behavior and program diversity.

The expectations for the study were met given the complexity of the model. In order to address effectively the original concepts identified in the literature review, a complex survey was developed. In an effort to match the concepts of organizational behavior, advocacy behavior and alliance behavior with survey questions, the resulting data set was quite expansive. The goal was to devise a more elegant and streamlined method for testing the hypotheses. The survey generated a wealth of information that

could be appropriately analyzed. The analysis that is reported in this dissertation reflects these efforts at streamlining the model.

The variables describing the organization were also reviewed in an effort to determine the most appropriate and significant variables to be included. The survey included information about full and part-time staff, contractors and volunteers but in the final model, only full time staff (STAFFFULL) were reported, even though some of the literature referred to the implications on the use of volunteers. Volunteers were dropped from the model because of inconsistent results and the belief that this variable did not add to the substance of the results.

The survey included a battery of questions regarding the mission of the organization and the response to environmental concerns. Given the overwhelming volume of variables generated from the survey, the first level task was deciphering which variables to include in the model and the analysis. After many iterations of analysis including a longer list of variables describing the environment for non-profit organizations, several variables emerged as significant. Fortunately, these variables were consistent with the findings from the literature review which focused on privatization, devolution, and competition for resources. Therefore, these variables were included in the final model.

The efforts at limiting the size of the model also led to the elimination of other variables such as region of the state, type of services provided, the training needs of the organization, and the organizational priorities for the next year. In addition, the classification of the types of services provided by the organization was eliminated as

not completely relevant. A series of questions which generated information about the organization's viability, external and internal threats and the mission of the organization were eliminated from the models in an effort to continue to pare down the number of variables included.

In an effort to determine only the essential variables to be included, each major component of the basic model was reviewed: organizational characteristics, funding, advocacy behavior, alliance behavior and program diversity. As mentioned, the organizational characteristics were limited to those that most consistently emerged in the early iterations of the analysis. The funding variables were reviewed in several different scenarios and combinations. The final variables were CONTRACT, the aggregate of state, federal and local funding (STATEFEDLOC), and the new dichotomous variables created to indicate the existence of state (STATEMON), federal (FEDMON) and local money (LOCALMON). These variables were intended to best reflect the primary areas of the study and to help determine the impact of funding at different levels of government.

As originally conceptualized, the funding variables indicating percentage of funding when aggregated gave muddled results. The range of the values in the disaggregated variables based on percentage of funding were not very illuminating. The new dichotomous variables seemed to work better. The variable CONTRACT emerged as an important means of conceptualizing the relationship of non-profits and government funding. The follow-up questions to contracting with particular departments were not as useful and were eliminated.

The potential list of advocacy variables was quite extensive and comprehensive for every conceivable type of advocacy activity of a non-profit organization. The decision to include the aggregate variable (ADVOACT) and the aggregates for grass roots advocacy (GRASSAD), for visiting and meeting with elected officials (VISITAD) and for tracking legislation (TRACKAD) was intended to generate more useful results. The extensive preliminary analysis of the longer list of variables led to the emergence of these advocacy variables as representative for significance of the types of advocacy activities.

The interest group literature referred to was more directly on point with the discussion of why a group joins another group. Given the complexity of the questions and the number of variables included in this series, other options for discerning the information about interest group behavior and non-profits were evaluated. After much review of the options available, it was determined that a more generic approach to alliance behavior was appropriate for the analysis. The literature review introduced a broad range of topics, theories and constructs for interest group behavior. One of the concerns was that the analysis was not directly on point to the literature reviewed.

The intent was to translate interest group behavior into the model of non-profit organizational behavior. One of the concerns was the attempt to introduce too many concepts into the analysis without sufficiently addressing the primary issues. For the purposes of the basic model and the analysis, the question about membership or affiliation with any associations, coalitions or collaborations was selected. This basic question had eight possible answers: neighborhood, local community, regional, state-

wide, national, international, specific issue group and other. Each of these categories were coded as dichotomous variables. The variable (COALITION) was the aggregate of all these variables. After many iterations of analyses, (COALITION), state collaboration (STATECOLL), national collaboration (NATCOLL), and issue collaboration (ISSUECOLL) were selected for the analysis.

In addition to specifying the alliance behavior with these variables, the reasons for joining alliances and coalitions were evaluated. One question addressed the reasons for non-profit organizations to join a coalition, association or collaboration. This question listed an array of reasons for non-profits to join with other groups. These reasons were recoded into new variables (PURPOSIVE), (MATERIAL) and (SOLIDARY) to reflect the interest group literature reviewed. These new variables are close approximations to the concepts identified in the literature review.

The measure of program diversification is not well specified. The question regarding how many separate programs, divisions or organizational units was selected as the measure of program complexity. This question best fit the concept of program diversification, but a better measure probably could have been devised. As in the discussion of interest groups, there are some concerns about the specification of the variables reflecting the true concepts of the model.

Conceptualization of the issues and the operationalization of the variables to be included in the model was cumbersome. The basic model that is tested in various forms in this analysis is representative of the best efforts at transforming a complex survey and a complex model into an understandable research project.

The basic premise is that government funding affects non-profit organizational behavior. The results of the one hundred plus regression and logistic tables, substantiate this premise. In terms of the specific research questions and hypotheses, the results are not as clear and convincing as one would like to report. Given the complexity of the model, this is not surprising. As reported with each series of models of the dependent variables, pieces of the hypotheses are addressed. What is interesting and confusing and merits further analysis is the subtle changes within and across models of the sign and significance of some variables.

Some of the concerns about the data and analysis are based on the limited sample size and the subsequent limitations on degrees of freedom in the analysis. By focusing on contracting as a threshold variable, a large number of cases were lost. Other nagging concerns are that some of the variables that were aggregated may not have sufficient internal consistency as measured by Cronbach's Alpha .

This study is based on the research indicating that non-profit organizations are becoming more sophisticated, and professional and are diversifying their funding sources. The study is intended to indicate that the behavior of non-profit organizations is affected by the organizational characteristics and contextual factors as well as by government funding. One of the findings is that government funding affects the organizational behavior of non-profit organizations. The behavior of organizations is affected in three primary ways: in terms of advocacy activities, alliance behavior and organizational complexity as measured by program diversification.

## **CHAPTER 5. CASE STUDIES**

This chapter summarizes the case studies evaluating the behavior of five non-profit organizations which receive public funding. The results from the quantitative analysis provide one lens for review of the hypotheses. By looking at five organizations from a more practical and qualitative perspective, one is able to enhance the findings of the study.

Smith and Lipsky (1993) created a typology of non-profits which identified three types of non-profit service agencies which are most likely to be affected by contracting with government. Smith and Lipsky (1993) acknowledged the breadth of the non-profit universe and chose to focus their discussion on the following types of organizations:

- 1) Traditional social service agency is the old line service associations which may have a hundred year history but have undergone some transformation in expanding their mission to meet changing community needs. Typically, these organizations have endowments and large boards of directors which are drawn from the political, economic, and community elite.
- 2) Non-profit social service agency was founded within the last twenty years in response to the availability of government funding. Typically, these organizations were created to access government funding and do not have a lengthy history as a non-profit. These responsive agencies generally are governed by a small board and led by a professional executive director who may have close ties with the funding sources.



- 3) The third type of agency is one founded in response to an unmet neighborhood or community need. These groups tend to be staffed by committed volunteers and those with a strong commitment to a particular issue or area (Smith and Lipsky, 1993, 39).

These three types of organizations form the continuum for Smith and Lipsky (1993) from the extremes of small community based volunteer organizations to those founded specifically to access government funds.

This study will follow the Smith and Lipsky (1993) typology given the basic interest in government funding. The study will attempt to demonstrate that non-profit organizations which receive funding from governmental sources are more likely to participate in advocacy activities.

This study intends to demonstrate the relationship between funding, advocacy, organizational complexity or program diversity and membership in state and national coalitions, associations and organizations. By examining the growing interest in government funding and organizational sustainability as motivating factors for non-profit organizations to join associations, this study attempts to determine factors affecting non-profit organizational membership in single-issue coalitions, national, state and local coalitions as well as more broadly focused non-profit associations.

By demonstrating the impact of important contextual issues that affect the sector and how these macro issues such as block grants and devolution have affected non-profit organizational behavior by promoting diversification of organizations and the increase in

government funding of organizations, this segment of the study will contribute to the general understanding of the non-profit sector.

As previously mentioned, the study goes beyond the anecdotal normative studies that have been completed on subsector groups such as hospitals, day care, drug treatment programs (Gibelman and Demone, 1998; Fein, 1995; Herman, 1994; Knauff, Berger and Gray, 1991). Other state based analysis conducted regarded the economic impact of the non-profit sector (Rhode Island, Maryland, Michigan, Illinois, Utah) or other organizational issues such as training capacity, information needs on advocacy (North Carolina). Yet, no state based analysis has been conducted on the question of the relationships of funding, advocacy, and alliance activity. Therefore, this aspect of the study fills a gap in the literature and provides a foundation for further research.

The organizational typology suggested by Smith and Lipsky (1993) served as the selection criteria for the following organizations which are recommended for the case study.

1. Volunteers of America of Greater Baton Rouge has an eighty year history as a human service organization, but which has diversified into 20-30 different programs in response to funding and policy changes. This United Way Agency has changed dramatically over its lifespan and is now primarily funded by government sources.
2. Kingsley House in New Orleans was initially a settlement house in New Orleans and now offers an array of services. Kingsley House received funds through the state capital outlay budget for an addition and the staff is knowledgeable regarding policy implications.

3. Community Support Programs in Shreveport, Louisiana was created in the last ten years in direct response to available government funding in the areas of health and human services.
4. Unity for the Homeless in New Orleans was created in an effort to coordinate the activities of over 50 homeless and social service agencies in the greater New Orleans area.
5. Urban Restoration Enhancement Corporation in Baton Rouge is a community development and housing organization which is funded by government and community funds.

The case study questionnaire, which is included as Appendix B, tracks the issues identified in the model and the survey.

The concern about selection bias was mitigated by using the Smith and Lipsky typology as one criteria for selection of cases. Secondly, “selecting observations for inclusion in a study according to the categories of the key casual explanatory variable causes no inference problems. The reason is that our selection procedure does not predetermine the outcome of our study since we have not restricted the degree of possible variation in the dependent variable” (King, Keohane, Verba ,1994, 137). In order to conduct successful scientific inquiry, the systematic inference must be conducted according to valid procedures. The use of qualitative case studies is a valid scientific approach, if care is taken regarding issues of selection bias, understanding the distinction in cases and observations and appreciating the significance of the explanatory and dependent variables in the study.

## TYPE I. TRADITIONAL ORGANIZATIONS

- 1) The traditional social service agency is the old line service associations which may have a hundred year history but have undergone some transformation in expanding their mission to meet changing community needs. Typically, these organizations have endowments and large boards of directors which are drawn from the political, economic, and community elite.

### **Organizational Summary: Volunteers of America of Greater Baton Rouge**

The President and CEO of Volunteers of America of Greater Baton Rouge (VOA), William Coffey, was interviewed on November 11, 1999. VOA is a national organization founded in 1896 to promote fundamental Christian beliefs and provide basic services to the poor. As a national organization with affiliates, there are services available to local organizations from the national office. VOA began providing services in Baton Rouge, Louisiana in 1921. VOA of Greater Baton Rouge separately incorporated in 1984. The mission of VOA is to reach and uplift all people to bring them to the active knowledge of God.

The VOA accomplishes this mission by programming in four areas: services to the developmentally disabled, those with mental health issues, the homeless and abused children. VOA is organized around these four divisions, but operates sixty-seven distinct programs. VOA employs 362 full-time employees. While the basic mission of VOA has not changed over the years, its methods and service delivery priorities have changed. VOA has successfully diversified their programming in pursuit of funding and as a result of governmental policy changes and as priorities and funding opportunities

change. VOA is reevaluating its operation with an eye to getting back to the basics of the traditional mission in promoting Christian based services to help the indigent, and using community volunteers more effectively.

The twenty member VOA board and executive staff is completing a planning process which has brought to light their significant dependence on government funding. The VOA annual budget of \$8.5 million is 90% state, federal or local government funds. Even though the VOA is a United Way agency, a negligible portion of their budget is from this source. VOA has contracts with the Louisiana Department of Health and Hospitals, Department of Social Services, Department of Correction and Department of Education. In addition, they have contracts with HUD and the city-parish.

VOA believes that receiving government funding does affect their organizational decision-making. They are more likely to be advocates for their clients and their agency as a result of their reliance on government funding. One of the concerns voiced by VOA is the increasing perception by policy makers that advocacy is self-serving for the organization because of the dominance of funding. Policy makers do not respect the need to advocate for funding to continue services to the client groups.

In order to avoid this perception of advocacy for funding for the agency, VOA works through coalitions, associations and collaborations. VOA is a member of several professional organizations which are active in advocacy. VOA is member of the Louisiana Association of Child Caring Agencies (LACCA), Coalition for Adult Rehabilitative Services Association (CARSA), the Louisiana Association of Non-profit Organizations (LANO), the Capital Area Homeless Coalition, the Human Services

Consortium and the Baton Rouge Alliance for Transitional Living. VOA is also active at the national level through the corporate VOA public policy committee.

At the state level, VOA actively advocates for sustaining and additional funding by working closely with state agencies. The CEO is primarily responsible for advocacy activities, but occasionally the board members become involved. VOA has recently established a Board Public Policy Committee. Even though the board has not routinely engaged in advocacy, there is an increased interest in advocacy.

As mentioned earlier, VOA has joined many coalitions, collaborations and associations as a means to be involved in advocacy. VOA believes that there is strength in numbers and participation in these interest groups is in their best interest. VOA has had success impacting public policy through the rule-making and administrative process by working with organized provider groups and associations. The benefits of working with other organizations is primarily in terms of information, networking, the cross pollination of ideas and the opportunities to impact public policy at the state level.

When considering participation in alliances, collaborations and associations, VOA considers the credibility and reputation of the group, the relevance of the organizations to address a concern of VOA, the effectiveness of the organization and the potential positive outcomes of participation. The benefits to VOA for participation are information, access, clout and credibility.

When considering how the political and programmatic environment has changed affecting VOA in the last ten years, the response was competition. More competition for government funds, private funds, and qualified staff. One of the most significant

changes is the increased rigidity in state contracts for allowable services and the increased emphasis on accountability. In addition, the skepticism about the non-profit sector has increased. There seems to be an emerging perception that non-profits are becoming more self-serving than community serving. The community perception by funders is more negative and suspicious. Therefore, the reputable non-profit organizations are being negatively affected by a few reports of mismanagement in the sector.

In terms of challenges facing the non-profit sector, the constant need to search for and find money for programming seems to be the biggest threat. The programmatic mission of VOA has changed in order to seek and get additional funding. VOA is concerned that in order to remain viable, they will have to be responsive to funding opportunities. An operational concern is competition for qualified staff, recruitment and management. In terms of policy, VOA is concerned about the implications resulting from welfare reform in terms of a potential increase in needs for services.

When considering the organizational changes in the next five years, VOA intends to do more housing development. In terms of programmatic emphasis, VOA will focus more on promoting self-sufficiency and independence of their client groups. From an organizational perspective, VOA realizes that they will have to continue to diversify services to seek funding. One of the long term considerations is reviewing how the “chase for money” fits into their mission. VOA is concerned about the on-going need to provide basic human services of food, shelter and clothing in an increasingly complex environment that values new and sophisticated programming.

### **Organizational Summary: Kingsley House, New Orleans**

C. Michael Moreau, Executive Director of Kingsley House was interviewed on September 14, 1999. Founded in 1896 to serve the Irish Channel neighborhood of New Orleans, Kingsley House is one of the oldest settlement houses in the country, and the oldest in the south. Kingsley House was incorporated in 1903. The mission of Kingsley House is to increase the capacity of individuals of all ages, their families and communities to reach their full capacity and improve the quality of their lives.

Kingsley House provides services at the original program site, 1600 Constance Street in New Orleans and also in eight surrounding parishes. The original mission and focus for Kingsley House to serve a neighborhood has been maintained even as the demographics in the area have changed over the generations. Most of the programs are targeted to promoting self-sufficiency. Kingsley House provides services in child care, youth programs, job training, adult day care, recreation programs, case management and family preservation. The organization is organized around five program areas and has 94 full time staff.

The thirty-four member board meets nearly monthly or about 10 times a year and provides policy oversight and direction, long range planning, and fiscal oversight. The board has been responsible for providing the vision and direction for the growth of the organization. The original mission from 1896 is “to make clear the way of right living.” Kingsley House embodies the vision of the settlement house movement to live and work with the poor and develop solutions together. The Executive Director, Mike Moreau embodies the social work legacy of the program. When Kingsley House was founded,



the neighborhood was populated by immigrants from Ireland, Italy and Germany. The original programs of child care, education and skill training are still maintained though in different forms. Over the last hundred years, the basic philosophy has not changed since Kingsley House has maintained an client asset based focus.

The program has diversified over the years to reflect the changing social conditions. At this time, the neighborhood has become predominantly African-American, yet the needs for child care and skill training remain to help people to become self-sufficient. Approximately 80% of the clients are African-American, 18% are white and smaller percentage are Asian and Hispanic. Kingsley House serves nearly 5000 people per year: 1/3 from the neighborhood, 1/3 from New Orleans and 1/3 from the outlying parishes.

The Kingsley House annual budget is \$3.2 million which is generated through 18 different funding streams and contracts. As a United Way agency, Kingsley House receives \$500,000 or about 16% of its budget from the United Way. Government sources and contracts from Department of Health and Hospitals, Elderly Affairs, Department of Social Services and HUD account for 60% of the budget. Kingsley House has also successfully cultivated individual, foundation and corporate donors.

Over the last five years, the percentage of the Kingsley House budget from government funds has increased even as it attempts to diversify its funding base. Kingsley House has diversified their funding in the last twenty years and are working to be less dependent on government funding. Kingsley House has made the conscious decision at the board level to strategically evaluate options for programming and funding

and not to chase money. Receiving government funding affects their organizational decision-making because there is a constant tension between community needs and government funding. Kingsley House tries to keep a consumer driven focus.

Kingsley House is more likely to be involved with advocacy because of state and federal funding. Kingsley House works with the Louisiana Association of Non-profit Organizations, Agenda for Children and other local collaborations such as the St. Thomas Irish Channel Consortium, the New Orleans Coalition for Family Empowerment and the Council of United Ways. Kingsley House is affiliated with the Child Welfare League of America which works to influence policy on the national level.

The executive staff of Kingsley House and some board members are involved in advocacy activities. They educate state and federal elected officials about their programs. Generally, they maintain good working relationships with the state agencies which they work and contract with. By working in alliances, associations and collaborations, Kingsley House benefits from sharing information and resources, avoiding duplication of services, maximizing resources and maintaining networking relationships. Kingsley House participates in alliances, collaborations and associations because it realizes the value from a practical standpoint as well as the increased expectation from funders which encourage collaboration.

Changes in state and national policy have also affected the operations of Kingsley House. Welfare reform and devolution have affected funding sources and demand for services. In addition, changes in local United Way policies have expanded opportunities for fundraising. The challenges facing the non-profit sector which

Kingsley House sees directly are issues of working in an urban setting with an increasing polarization of the population. In addition to the stresses of changes in service delivery, the pressures of government contracting and the limited resources, Kingsley House is aware of the need to meet its mission.

In the next five years, Kingsley House hopes to continue to grow its programs, renovate the physical plant, improve the use of technology, maintain consumer driven programs and continue to be a force for positive change in the neighborhood. Kingsley House seems truly committed to maintaining its mission rather than diversifying in pursuit of funding. The Kingsley House promotional literature describes the organization:

Kingsley House prides itself on being community-based, family focused and person centered. Kingsley House is about people—what they can do, not what they cannot do. It is about building on the strengths of families and individuals rather than “treating” their weaknesses. It is about overcoming problems, exploring possibilities, setting goals, and finding practical ways to achieve those goals.

## TYPE II. NEW FUNDING DRIVEN ORGANIZATIONS

2) Non-profit social service agency was founded within the last twenty years in response to the availability of government funding. Typically, these organizations were created to access government funding and do not have a history as a non-profit. These responsive agencies generally are governed by a small board and led by a professional.

### **Organization Summary: Community Support Programs, Shreveport**

The executive director of the Community Support Programs, Mrs. Margaret Gaffney Shemwell, MSW, was interviewed on September 18, 1999. Community Support Programs, Inc. (CSP) was created in March 1990 in response to a community

need for new service providers. Mrs. Shemwell had previously served as a state Department of Health and Hospitals employee and as a division director for Volunteers Of America of North Louisiana. CSP mission statement is:

Community Support Programs, Inc. exists to serve the client/family and to enhance each person's opportunity to live successfully in the community. Through the provision of advocacy, direct service and indirect service, housing and coordination with other social service providers, Community Support Programs, Inc. offers unique and innovative programs.

CSP has grown from a budget of \$170,000 in 1990 to \$1.982 million in 1999. CSP operates fourteen distinct programs and has a staff of nearly one hundred. CSP is directed by a ten member board of directors representing interested community members, family members and consumers of social services. The professional staff is very active in advocacy. The board meets quarterly and provides policy oversight and fiscal oversight. The board is not active in policy/advocacy related matters. The executive director has tremendous autonomy to lead the organization, identify new programmatic opportunities and to be involved in advocacy.

CSP was initially established to provide services to adults and children diagnosed with chronic mental illness and the early programs reflect this mission. Over the last ten years, CSP has diversified in search of funding and in order to better meet the community needs. A brief review of the programmatic development of the organization will demonstrate the growth pattern.

In 1990, CSP contracted with the Department of Health and Hospitals, Office of Mental Health (OMH) to establish *Crossroads*, a forty-five day shelter for homeless mentally ill adults. In addition, a 24-hour crisis line was established. Then CSP added another contract with OMH to provide Crisis Management and security for mental health programs by working with off-duty police. In 1991-1996, CSP contracted with DHH for Medicaid Case Management services. CSP currently maintains a contract with OMH for case management for mentally ill clients.

In 1991, Project Life started as a housing and services support program for mentally ill people discharged from state institutions. In 1992, TRANSITIONS, a transitional housing and services program funded by HUD was started. In 1993-1995, CSP expanded to provide Mental Health Rehabilitation Services. In 1993, OMH contracted with CSP to develop permanent housing opportunities for the mentally ill. In 1996, Project REACH (Recovery, Empowerment, Affirmation, Challenge and Hope) was funded by HUD to operate as a housing and services program serving mentally ill and substance abusing homeless people.

Until 1996, CSP exclusively served persons diagnosed with severe and persistent mental illness. At that time, CSP decided to diversify in terms of programs, clientele and funding in the belief that a holistic community approach would be more appropriate for the organization. In 1996, CSP received a contract from the Department of Social Services, Office of Community Services to establish the PORTALS program, a resource center for foster and adoptive parents. Project EMPOWER was established in 1996 and funded by the Governor's Office of Urban Affairs to service the citizens in state House

of Representatives district 4. In addition, CSP has started the Victim Information Notification Everyday (VINE) System and the Jail Access Information Line (JAIL) in conjunction with Caddo Parish law enforcement agencies to provide notification of court dates to attorneys, law enforcement agencies and victims.

CSP also operates an Employee Assistance Program (EAP). In 1997, CSP added the BRIDGES program to work with the unserved chronically mentally ill. The PORTICO Family Resource Center was funded by OCS and the Families in Need of Services (FINS) Program to provide services to families. HEARTHSTONE is a housing program for low income families similar to Habitat for Humanity in that participants are required to participate with sweat equity. CSP is committed to diversifying its program and funding base. CSP is a certified Community Housing Development Organization (CHDO) and develops housing and services.

Once again, it is important to note that CSP has grown from a budget of \$170,000 in 1990 to \$1.982 million in 1999. CSP operates fourteen distinct programs and has a staff of nearly one hundred. CSP is primarily funded through government contracts and self-generated funds from fees: 35% of the budget is from HUD, 18% is from the Office of Community Services, 25% is from the Office of Mental Health, 9% is from the City of Shreveport, 7% is from Office of Urban Affairs, 6% is from fees and less than 1% is from donations or other citizen support. Over 90% of CSP budget is from government sources.

The staff leadership of CSP has been very involved with advocacy at the department and legislative levels. The staff is very active in Baton Rouge working with

department officials to maintain existing funding and identify new sources. The receipt of government funding is directly related to the advocacy behavior of the staff. It is primarily the director who is involved in advocacy activities at the state and local level. The board is involved as necessary in approving resolutions for contracts and signing correspondence advocating a position.

CSP is involved in several coalitions, collaborations and associations. The director served on the board of the Shreveport-Bossier Service Connection. CSP is a member of the Shreveport Chamber of Commerce, the Better Business Bureau, the Louisiana Association of Non-profit Organizations, the Louisiana Community Housing Development Organizations Association, the Louisiana Mental Health Alliance. The primary reasons for participating in alliances is to gain information and access. CSP participates in associations with groups which have similar missions. CSP believes that there is strength in numbers and they want to be on the cutting edge of information. The benefits of participating in alliance activities are the networking, problem solving, access to information regarding new services and funding, and relationships. The factors affecting participation are the reputation of the organization and the perceived benefits to the organization.

The director of CSP acknowledged that the environment has changed in the last ten years. CSP was created in response to available government funding. Competition for funding has increased, as has accountability from government regulators. The continuation of contracts is no longer readily anticipated due to increased competition. Concern about devolution has caused some organizations to become more sophisticated

to compete for funding. In terms of challenges facing the non-profit sector, the director demonstrated concern about cutbacks in government funding. There is an increased need to be more entrepreneurial and innovative in program development and funding. There is an increased need to diversify funding or further diversify programs to retain funding base.

In the next five years, CSP plans to continue to expand its scope and mission to provide services for individuals and families. CSP has been very successful in developing programs in response to community and government funding needs. CSP will probably expand to provide services throughout north Louisiana. CSP hopes to continue to train its staff and consider other fees for service enterprises such as property management and other services. In addition, CSP may evaluate the its at housing development and focus more energy on skill development in this area.

**Organization Summary: UNITY for the Homeless (UNITY), New Orleans**

Ms. Margaret "Peg" Reese, Executive Director of UNITY was interviewed on September 29, 1999. UNITY was incorporated as a 501(c)(3) non-profit organization in 1992. The mission of UNITY for the Homeless is to increase the community's organized capacity to resolve the issues of homelessness through open, inclusive and coordinated decision-making, collaborative efforts and funding. Its goals are to assist homeless persons to become self-sufficient and regain self-esteem, to engage in planning and policy evaluation efforts to maximize the use of existing resources, to allow for a systemic approach for tapping significant new funds and encouraging collaborative efforts, and to advocate for policy changes affecting homelessness.



UNITY was founded with the intention of coordinating services for the homeless in New Orleans. One of the key components to the successful implementation of UNITY was the acquisition of federal funds. UNITY is a relatively new organization with a board of community leaders, funders, and service providers. UNITY is not a United Way agency. UNITY has a 16 member board of directors which meets monthly. UNITY serves as a conduit for federal funds and serves a coordinating role for community service providers. UNITY has developed a sophisticated continuum of care model which has been replicated across the country. UNITY provides no direct services to homeless clients; it serves the 70 non-profit organizations which are part of the continuum of care. These services include identifying funding sources, preparing grant applications, providing technical assistance and training, monitoring and evaluating the organizations, training for direct and management staff, and planning for new and enhanced services. UNITY has 8.5 full-time staff people to accomplish these functions. The board's role is to provide policy direction, oversight, community relations, fundraising and advocacy. The board delegates the management of the organization to the Executive Director. The board is involved in some external public policy and community awareness activities.

In 1992 when UNITY was formed as the result of a lengthy and complex public planning process, eleven strategic directions were articulated. The strategic directives are as follows: Provide outreach for persons experiencing homelessness; secure increased financial support for homeless concerns; link supportive services to shelter and housing; increase employment, training and job development activities; build a system

of services with multiple points of entry; establish UNITY for the Homeless to provide on-going leadership and coordination; nurture strong, capable and stable programs; focus existing facilities and programs to match the needs of the population; develop longer term transitional programs; provide a range of affordable permanent housing options; focus efforts on prevention, advocacy and community awareness.

As of 1999, nine of these strategic objectives have been completed. The UNITY board is considering another strategic planning process to identify the appropriate next steps for the organization. In the last seven years, UNITY has been phenomenally successful in creating a city-wide system of care that has received many national awards. The mission of UNITY may be changing to focus more on the development of transitional and permanent housing to meet the needs of the homeless people moving through the system.

UNITY is funded through the 5% administrative portion of the HUD grants received for the service providers continuum. In addition, UNITY receives other funds from the city, HUD, the Veteran's Administration and other sources. UNITY began the planning process in 1992 with eight corporate and foundation partners who each pledged \$25,000 for three years to develop and implement the plan. UNITY has evolved into a multi-million dollar organization which serves as a funnel for federal funds for local service providers. UNITY is the applicant to HUD and then re-grants to the participating agencies. UNITY is then responsible for the monitoring and evaluation of the projects.

Since UNITY is almost completely funded by government funds, UNITY is very aware of the regulations affecting homelessness and concerned about maintaining

funding. In seven years, UNITY has received nearly \$35 million dollars for homeless services in New Orleans. In 1999, the budget for UNITY is nearly \$6.2 million dollars of which \$5.7 million is passed to sub-grantees. Even though UNITY is nearly 100% funded by federal funds, UNITY is involved with advocacy policies for improving the homelessness and policies which will benefit the service providers. UNITY has provided advocacy training for its continuum of care partnering organizations and is encouraging advocacy activities. UNITY is involved in advocacy at the local, state and national levels. The UNITY staff, board and community supporters are involved in advocacy. UNITY is seeking additional federal funding for a new project and has launched a letter campaign to Louisiana Senators Breaux and Landrieu.

UNITY is well aware of the need to have relationships with providers, public officials and the public. UNITY participates in many collaborations and associations including: the National Alliance to End Homelessness, the Louisiana Association of Non-profit Organizations (LANO), the HUD/HHS Collaboration, the New Orleans Substance Abuse Coalition, and the Children's Services Collaborative. The reasons that the UNITY director participates in these alliances is to network with other providers, gain information and insights on trends and issues, promote collaboration, and encourage opportunities to work together. UNITY evaluates the efficacy of working in alliances based on the credibility of the other partners, the nature of the collaboration and the opportunities for UNITY. The core benefits are sharing resources, creating relationships and linkages, community credibility, funding and public support.

UNITY is very mindful of the need to be aware and involved with changes in public policy since most of their funding is from federal sources. The contextual factors which have affected UNITY are the changes in policy in Washington in the last ten years promoting a continuum of care and model the coordination of service provision. UNITY was formed as a result of these policy initiatives and actively tries to stay one step ahead of the funding sources. UNITY is very aware of its need to adjust to the government's plans to deal with homelessness. This desire to be aware and responsive is what is driving the board to consider focusing time and resources on the development of permanent housing.

UNITY sees the challenges facing non-profits as the need to be able to do more with less and foresees the trend to encourage mergers and acquisitions in the non-profit sector in order to be responsive to community needs and respond to reduced funding. The new emphasis on effectiveness, efficiency and quality is forcing non-profits to professionalize and reevaluate their methods of doing business. Non-profits need to learn from the private sector and determine what mergers may look like in the non-profit sector. Non-profits need to learn how to respond more adroitly to policy and funding changes, while being true to their core missions. More external factors are affecting non-profits, which need to learn how to develop operating principles that will maintain their missions.

As UNITY looks to the next five years, the need for stable funding will remain a priority. In addition, UNITY will continue to look for and identify new funding and programmatic opportunities particularly in the area of housing development for special

populations and families. UNITY may also consider spinning off or creating subsidiaries for new funding for services and housing. UNITY will continue to strive to be more sophisticated and more businesslike in its operations. UNITY will focus more on advocacy and policy work. In terms of internal issues, UNITY must prepare for staff transitions at the executive level. UNITY wants to be entrepreneurial and consider developing new business and funding opportunities.

UNITY's success is due to the vision and dedication of the original planning committee which invested in the development of a new model for service delivery. The competent staff and board have provided the leadership to make UNITY a national model for service delivery planning and implementation. UNITY combines an entrepreneurial spirit with federal funding and bureaucratic limitations.

#### **TYPE III. COMMUNITY BASED**

- 3) The third type of agency is one founded in response to an unmet neighborhood or community need. These groups tend to be staffed by committed volunteers and those with a strong commitment to a particular issue or area (1993, 39).

#### **Organization Summary: Urban Restoration Enhancement Corporation (UREC), Baton Rouge**

Ms. Ronnie Edwards, Executive Director of UREC was interviewed on October 13, 1999 in Baton Rouge. UREC was founded in 1992 to serve the needs of citizens in a particular neighborhood in East Baton Rouge Parish. UREC was created to serve as a community development corporation to provide affordable housing, education and training and economic and social development to help individuals improve their lives.

The organization fulfills this mission through direct service, partnerships, collaborations, technical assistance and capacity building activities. The programs include a Security Dads program, first time home buyers training, Saturday academy, summer youth programs, the development of affordable housing and other program development activities. UREC operates nine programs with 7 full-time employees and 3 Vista volunteers. It has developed high community visibility and has the support of key local legislators, particularly in the African American community.

The board of UREC is made up of twelve community leaders who bring expertise in business, management and development to the organization. The board is primarily involved in governance and policy. The Executive Director would like to engage the board more in fundraising. The board meets quarterly and has two active committees: finance/executive and personnel/programs. The board provides the guidance as UREC continues to identify new opportunities.

UREC began as a community based initiative to make mini-grants in the community. UREC now focuses on projects and housing. The Urban Meadows housing project shifted the focus of the organization to serve as a property owner and manager. UREC is a certified housing development organization (CHDO) and is working with HUD and the city to develop affordable housing. The UREC budget is approximately \$500,000. Nearly 75% of their funding comes from state, federal and local government sources. Approximately, 20% is in self-generated fees from the Urban Meadows housing project and the remaining 5% is from foundations, corporations and other

earned income. The principal source of state funds is from the Governor's Office of Urban Affairs.

The organization relies on government funding and is involved in advocacy to retain those funds. For the types of programs provided by UREC, the local, state and federal government are good sources for funding. UREC seeks funding to further its mission. Sometimes, money drives the mission. However, government funding has strict accountability expectations and compliance monitoring. UREC is committed to excellent and accountable services.

In addition to advocacy for funding, UREC is also interested in advocacy because of their community development mission and in efforts to provide services for their clients. UREC staff and board members have been active in advocacy, have testified before legislative hearings regarding policy matters and funding opportunities to help stabilize the organization. UREC is sophisticated in terms of advocacy since one of its founders is state representative Sharon Weston-Broome.

In addition to advocacy, UREC sees the benefit of participating in coalitions, collaborations and associations. UREC is a member of the Volunteer Baton Rouge! Non-profit Resource Center, the Louisiana Association of Non-profit Organizations, (LANO), the Plank Road Merchants Association, the Chamber of Commerce in two parishes, the Louisiana Association of Community Economic Development (LACED) and several national groups such as the National Congress on Community Economic Development, the National Center for Non-profit Boards and the Alliance for the Homeless. Many UREC board members also serve on other boards. UREC sees the

value of collaborations to work with organizations with similar missions, to attain strength in numbers, to be on the cutting edge of the industry, to participate in services and training, networking with other CDC's and other non-profits to receive access to information and funding. UREC evaluates collaborations on the basis of the credibility of the organizations, their commitment to excellence and the determination that the fees are reasonable for the benefits received.

UREC is an exemplary organization that is well managed by both staff and board. UREC is a model for a community-based CDC that has been successful and effective in identifying opportunities for programming and funding. When asked how the environment has changed in the last ten years, the director expressed an increase in appreciation of accountability from funders, government, boards and volunteers. UREC is concerned about being competitive locally and nationally for funding.

UREC appreciates the challenges facing the non-profit sector and understands the need to be more entrepreneurial, more innovative in generating earned income and responsible for diversifying income streams. The organization is also mindful of the need to follow business trends and evaluate opportunities for collaborations and mergers with other organizations to share administrative and overhead charges.

UREC is fairly sophisticated in their planning for the future and is considering more specialized structured divisions that may actually spin-off, and is interested in building an umbrella organization which might help to start up a for-profit business. UREC is committed to building its staff and board by strengthening its organizational infrastructure. The organization also wants to expand the board to include residents and



engage those served in advocacy and planning. UREC has high expectations for professional development and is seeking Certified Development Financial Institution (CDFI) status from the U.S. Department of the Treasury and state CHDO certification.

### SUMMARY OF CASE STUDIES

The case studies provided additional insight and information into the operations of five organizations. This information is helpful and confirms the general premise of the study that funding affects organizational behavior. The findings from the case studies link to the findings from the empirical study. When reviewing the case studies, the same variables emerge in terms of organizational characteristics, contextual factors, funding sources, participation in collaborations, alliances and program diversification.

The case studies were completed following a survey that addressed the issues represented by the empirical findings from the survey. The organizations interviewed represent some of the same inconsistencies as reported in the data. The sizes of the boards of these organizations range from under ten to nearly forty. The staff size ranges from under ten to nearly four hundred. In addition, new organizations with less than ten years of experience and older organizations with over hundred years of experience are evaluated. Every effort was made in the selection of organizations to represent the organizations in the sample, as well as to follow the typology of Smith and Lipsky.

The similarities between the organizations is encouraging because many of the same issues emerge such as concern about devolution, duplication of services and competition for resources. All the organizations mentioned that external factors affected their decision-making in different ways. Government policy changes have a greater

effect on those organizations which rely on government funding. The organizations were generally knowledgeable about public policy and concerned about the issues that affected their organizations and their clients.

Public funding is a critical issue addressed in the case studies. The Community Support Program was created in response to the availability of public funds; it is particularly concerned with competition for resources and is very aggressive in seeking government funding. In addition, UNITY was created to seek government funds and its success has helped sustain other non-profit organizations which it supports as a pass through agency for federal funds. Even though VOA and Kingsley House are United Way agencies, they rely on government funding for the majority of their budgets as well. Each of the organizations rely on government funds for a significant portion of their revenue and demonstrated the organizational behavior predicted by the model.

The organizations are involved with advocacy activities at the state and national level. UNITY and Kingsley House state that advocacy played an important part in fund development. These organizations are active at the national and state level. VOA and Community Support Programs are both active at the state level in following legislation and meeting with legislators. VOA is working through its national office on advocacy issues at the national level. UREC is the only community based organization in the case studies and it is more likely to receive local and state funds and to be involved with grass roots advocacy.

These case studies support the hypotheses that funding affects organizational behavior. All of the organizations included in the case studies, accept government funds,

participate in advocacy and alliance behavior and have diversified programs. When evaluating the organizational behavior of these five organizations, each reported that advocacy was an important function, since they received government funding. These anecdotal accounts support the hypothesis that funding is a determining factor in organizational behavior.

In addition, UNITY, the Community Support Programs, and Urban Restoration Enhancement Corporation and Volunteers of America specifically addressed the concern that funding encouraged them to diversify their programs. The director at Kingsley House stated that the board made the conscious decision not to add new programs in pursuit of funding, but he acknowledged the tension regarding sustaining the organization's mission and the need to identify new funding sources.

All the organizations are involved with alliance activities. Most are active at the local and state level, but UNITY and Kingsley House are members of national groups as well. The reasons listed for participation in alliances, coalitions and associations are consistent with the literature review. These groups are active in alliance activities to stay informed about public policy, to seek funding and to network with other organizations. Alliance activities are important for the staff to stay connected with other organizations providing similar services and informed about public policy and services. Some of the same variations are seen in the case studies with the different organizations involved at the state, national and local levels in coalitions, alliances and associations.

The findings in the case studies support the research design and findings in the empirical analysis. The consistent discussion of the need to collaborate and participate

in associations and alliances is directly related to the theory and the study results. The discussion of the organizational characteristics and contextual factors in the case studies are also consistent with the study results. Several organizations specifically mentioned devolution and other policies affecting their decision making.

The case studies enhance the findings from the empirical analysis and lend credence to the theory and hypotheses developed in the study. The organizations reviewed in the case studies shed new light on the diversity of organizational behavior and the factors which affect advocacy, alliance behavior and program diversification.

## **CHAPTER 6. CONCLUSIONS**

The study of non-profit organizations and their relationship with government will continue to be an important topic for political scientists to address in the decades to come. As the fundamental debate about the role of government continues, the pressure to provide essential services through alternative means will escalate. The debate about privatization and the increased tension and competition between the three sectors—government, non-profit and for-profit—will affect the political conversation and the service delivery dynamic.

This dissertation only begins to address the complexity of the three sector relationship in service delivery. This research focused solely on the interdependence of non-profits and government. The literature review set the scene for the analytical discussion of the impact of government funding on organizational behavior. The enhanced interest in nongovernmental service delivery can be an opportunity for the non-profit sector. However, the competition with for-profit entities may continue to drive changes in the sector.

Peter Goldberg suggests that the increased reliance on government funds may be transforming some non-profit organizations into quasi-governmental entities who do not have the same ethos as traditional community based and community funded non-profit organizations. He also suggests that the reliance on government funding is weakening the bonds between the non-profit service sector and the foundation community. As large social service agencies rely less on foundation funds for their operating budgets and more on government, the linkages within the non-profit sector are threatened.

At the same time as national non-profit infrastructure groups, such as the INDEPENDENT SECTOR, are working to create a unified identity, that they may in fact be segmenting themselves on the basis of funding sources and service strategies. The small community based organizations that rely on a traditional model for community philanthropy and the large national non-profit organizations providing health and hospital care or prison services may not have much in common, other than a common tax status.

In the last few years, much has been written about defining the non-profit sector. Although a common definition and identity for the sector is desired, funding sources and the changing expectations of the public seem to be demanding at the same time that non-profits become more “like business”—accountable, professional, and run by the bottom line. One of the concerns voiced by Salamon, Weisbrod and others is that as non-profits become more like business or government, they are less like the ideal of non-profits as a venue for connecting citizens and building a civil society.

Determining the common elements of the non-profit sector is challenging as the demands on the sector for increased services take precedence over the traditional myth of community volunteers responding to a local need. The current debate about the blurring of the lines between the government, profit and non-profit sectors has called into question the very nature of some non-profit organizations.

In Pennsylvania and other states, state legislatures are revisiting the definitions of non-profit organizations in an effort to determine which organizations are eligible for tax exemptions and other perks. These distinctions are being made based on services

provided, funding sources and community accountability. The emphasis on the traditional model of a non-profit as a “public charity” is re-enforcing the notion that there are “good” non-profits which are community based and “sham” non-profits which are only created to shield for-profit enterprises and quasi-governmental entities created as “agents of the state.”

In Louisiana, the Bureau of Governmental Research, a New Orleans based non-profit “good government” organization, has completed a series of research projects on non-profit organizations in Orleans Parish to determine the number of non-profit property owners in the parish and the implications for forgone property taxes on funding of services in the city. The Bureau of Governmental Research has done extensive analysis comparing the Louisiana Non-profit Code, the Louisiana Constitution and the IRS regulations to parse just what types of organizations should be eligible to receive property tax exemptions.

The Bureau of Governmental Research reports are the first efforts at segmenting the non-profit sector in Louisiana. This national trend of determining the “good non-profit” organizations which deserve to retain the benefits of the IRS regulations and the exemptions from property taxes does not bode well for efforts at promoting and unifying the non-profit sector.

A national debate seems to be emerging about the value of non-profit organizations and their distinctive role in our society as a means of service delivery and as a means of connecting citizens and community. Salamon, Weisbrod, Powell, Clemens and others suggest that the non-profit sector provides a critical linkage between

the public and private sectors as a venue for promoting public good and the development of civil society. However, there is a more pessimistic view that non-profit organizations are being used to supplant the traditional role of government in service delivery for essential community services, welfare, health care, transportation, job training and other services.

The government has been accused of “dumping” its responsibilities onto contract agencies to provide public services without sufficient resources or public accountability. The emphasis on contracting out of services by government is creating a new dynamic of competition between the traditional non-profit service providers and for-profit service providers that are responding to new market/service opportunities. Historically, the role of government, the market and the non-profit sector were clearer. The blurring of the lines between the sectors and the changing expectations about state responsibility for service delivery may have dramatic implications for the non-profit sector.

Government funding is transforming some non-profit organizations into “agents of the state” and not community service providers who are advocates for their clients. Some are concerned that the total reliance of some organizations on government funding may be changing the organizational behavior of the organizations and affecting the nature of the non-profit sector.

This research evaluated the effect of government funding on non-profit organizational behavior. The basic premise was that non-profits that contract or receive government funds are more inclined to participate in advocacy and alliance behavior. This study is based on a data set generated by a mail survey in 1997 and five case studies



completed in 1999. The quantitative analysis evaluated the relationships between organizational characteristics, contextual factors, funding, alliance behavior, advocacy behavior and program diversification.

The Gray and Lowery theory of interest group behavior is sufficiently complex to merit the complete attention of a dissertation to develop the theory and hypotheses directly responsive to this literature. By attempting to satisfy the broad expectations of the interest group literature and the narrow interests of Gray and Lowery, the study was able to sketch the outline of additional issues to be addressed regarding the connections between alliance and advocacy behavior. The specification of the questions and data for review of the interest group and alliance behavior could be more effectively addressed in a follow-up study.

In order to address effectively the original concepts identified in the literature review, a complex survey was developed. In an effort to match the concepts of organizational behavior, advocacy behavior and alliance behavior with survey questions, the resulting data set was quite expansive. The goal was to devise a more elegant and streamlined method for testing the hypotheses. The survey generated a wealth of information that could be appropriately analyzed. The analysis that is reported reflects these efforts at streamlining the model. The variables describing the organization were also reviewed in an effort to determine the most appropriate and significant variables to be included in the model. The survey included information about full and part-time staff, contractors and volunteers. In the final model, only full

time staff were reported, even though some of the literature referred to the implications on the use of volunteers.

The survey included a battery of questions regarding the mission of the organization and the response to environmental concerns. Given the overwhelming volume of variables generated from the survey, the first level task was deciphering which variables to include in the model and the analysis. After many iterations of analysis including a longer list of variables describing the environment for non-profit organizations, several variables emerged as significant. Fortunately, these variables were consistent with the findings from the literature review which focused on privatization, devolution, and competition for resources. Therefore, these variables were included in the final model.

The efforts at limiting the size of the model also led to the elimination of other variables such as region of the state, type of services provided, the training needs of the organization, and the organizational priorities for the next year. In addition, the classification of the types of services provided by the organization was eliminated as not completely relevant. A series of questions which generated information about the organization's viability, external and internal threats and the mission of the organization were eliminated from the models in an effort to continue to pare down the number of variables included.

In an effort to determine only the essential variables to be included, each major component of the basic model was reviewed: organizational characteristics, funding, advocacy behavior, alliance behavior and program diversity. As mentioned, the

organizational characteristics were limited to those that most consistently emerged in the early iterations of the analysis. The funding variables were reviewed in several different scenarios and combinations. The final variables were contract, the aggregate of state, federal and local funding, and the new dichotomous variables created to indicate the existence of state, federal and local money. These variables were intended to reflect best the primary areas of the study and to help determine the impact of funding at different levels of government.

As originally conceptualized, the funding variables indicating percentage of funding when aggregated gave muddled results. The range of the values in the disaggregated variables based on percentage of funding were not very illuminating. The new dichotomous variables seemed to work better. The variable CONTRACT emerged as an important means of conceptualizing the relationship of non-profits and government funding. The follow-up questions to contracting with particular departments were not as useful and were eliminated.

The potential list of advocacy variables was quite extensive and comprehensive for every conceivable type of advocacy activity of a non-profit organization. The decision to include only the aggregate variable (ADVOACT) and the aggregates for grass roots advocacy, for visiting and meeting with elected officials and for tracking legislation was intended to generate more useful results. The extensive preliminary analysis of the longer list of variables led to the emergence of these advocacy variables as representative for significance of the types of advocacy activities.

The conceptualization of the interest group literature on the alliance behavior of non-profit organizations caused the most concern in completing the study. The survey included questions specifically about joining the Louisiana Association of Non-profit Organizations. These questions may have been more appropriate for a basic interest group analysis, by asking if the respondent would join the association, which reasons were the most important for joining and the helpfulness of the services for the association.

The interest group literature referred to was more directly on point with the discussion of why a group joins another group. Given the complexity of the questions and the number of variables included in this series, other options for discerning the information about interest group behavior and non-profits were evaluated. After much review of the options available, it was determined that a more generic approach to alliance behavior was appropriate for the analysis. The literature review introduced a broad range of topics, theories and constructs for interest group behavior.

The intent was to translate the expectations about interest group behavior into the model of non-profit organizational behavior. One of the concerns was the attempt to introduce too many concepts into the analysis and to not sufficiently address any of the primary issues. For the purposes of the basic model and the analysis, the question about membership or affiliation with any associations, coalitions or collaborations was selected.

In addition to specifying the alliance behavior with these variables, the reasons for joining alliances and coalitions were evaluated. One question addressed the reasons

for non-profit organizations to join a coalition, association or collaboration. This question listed an array of reasons for non-profits to join with other groups. These reasons were recoded into new variables PURPOSIVE, MATERIAL and SOLIDARY to reflect the interest group literature reviewed. These new variables are close approximations to the concepts identified in the literature review.

The measure of program diversification was specified in the question regarding the number of separate programs, divisions or organizational units operated by the organization. This question best fit the concept of program diversification, but a better measure probably could have been devised. As in the discussion of interest groups, there are some concerns about the specification of the variables reflecting the true concepts of the model.

Conceptualization of the issues and the operationalization of the variables to be included in the model were cumbersome. The basic model that was tested in various forms in this analysis is representative of the best efforts at transforming a complex survey and a complex model into an understandable research project.

The findings from the quantitative analysis in Chapter 4 addressed the model, the analysis and the concerns regarding the data. The findings are not as succinct and clear as desired. The analysis generally supports the hypotheses that the government funding affects non-profit organizational is need for further analysis on some of the remaining issues such as the relationships between advocacy and alliance behavior as demonstrated by the different signs of the coefficients on the alliance variables in the same model.

However, given the limitations, the findings of this study are of interest to the basic discussion of non-profit organizational behavior.

The findings were generally encouraging that the theory developed as a result of the literature review was reasonable. When reviewing the analysis of the dependent variable CONTRACT, the race of the CEO is consistently negative and significant. Board size and the number of full time staff are consistently positive and significant. The age of the organization is negative and significant. The variables meeting with elected officials (VISITAD), the importance of devolution (DEVOLUTION) and state alliance behavior (STATECOLL) are also positive and significant. These findings are consistent with the primary hypothesis that the dependent variable contracting is affected by the organizational characteristics of board and staff size, the contextual factor (DEVOLUTION), advocacy behavior as measured by (VISITAD) and alliance behavior as indicated by (STATECOLL).

When reviewing the dependent variable for federal money (FEDMON), organizational age (ORGAGE) is negative and significant. The contextual factor competition for resources is fierce (COMPFIERCE) is positive and significant across all the models. In terms of advocacy, the aggregate measure (ADVOACT) and meeting with elected officials (VISITAD) are both positive and significant. Participation in state level collaborations as measured (STATECOLL) is positive and significant. These findings are consistent with the hypothesis that federal funding is affected by advocacy and alliance behavior.

When reviewing the dependent variable state money (STATEMON), the size of the staff (STAFFFULL) is negative and significant. National affiliation (NATIONAL) is negative and significant. Of the contextual factors, DEVOLUTION is positive and significant across all models. Of the advocacy behavior variables, tracking legislation (TRACKAD) and the aggregate advocacy variable (ADVOACT) are positive and significant. Of the alliance behavior variables, (STATECOLL) is positive and significant and national alliance behavior (NATCOLL) is negative and significant. The measure of program diversity (SEPPROGS) is positive and significant.

These findings are consistent with the hypothesis that state level funding is affected by the contextual factor DEVOLUTION, advocacy behavior and alliance behavior at the state level. In addition, organizational size as measured by the number of staff is not as significant as the diversity of programs.

When reviewing the dependent variable, the aggregated advocacy variable (ADVOACT), board size (BOARDSIZE) is positive and significant across most models. The funding variables CONTRACT and state money (STATEMON) are all positive and significant. Participation in national level coalitions, (NATCOLL) is positive and significant in all the weighted models. The measure of program diversity, (SEPPROGS), is positive and significant across all the models. These findings are consistent with the hypothesis that advocacy is affected by funding, alliance behavior and program diversity.

The basic premise is that government funding affects non-profit organizational behavior. The results of the one hundred plus regression and logistic analyses basically

support the hypotheses and substantiate this premise. In terms of the specific research questions and hypotheses, the results are not as clear and convincing as one would like to report. Given the complexity of the model, this is not surprising. As reported with each series of models of the dependent variables, pieces of each hypothesis are addressed. What is interesting and merits further analysis is the subtle changes within and across models of the sign and significance of some variables.

The results from the analysis are not as persuasive as was desired. Some of the concerns about the data and analysis are based on the limited sample size and the subsequent limitations on degrees of freedom in the analysis. By focusing on contracting as a threshold variable, a large number of cases were lost.

Given that non-profit organizations are a significant means of service delivery in the United States, they are an appropriate organizational entity to study. Non-profit organizations are becoming more sophisticated and professional and diversifying their funding sources. The behavior of non-profit organizations is affected by the organizational characteristics and contextual factors as well as by government funding. The existence of government funding affects the organizational behavior of non-profit organizations. The behavior of organizations is affected in three primary ways: in terms of advocacy activities, alliance behavior and organizational complexity as measured by program diversification. In addition to the empirical analysis, the theory was evaluated by the use of case studies.

In Chapter 5, the case studies affirmed the basic model. The connection between funding and advocacy was clearly articulated by each group. In addition, each group's



participation in alliances, coalitions and collaborations was as predicted. The results of the case studies supported these findings.

It is appropriate to note at this juncture the study of the changing nature of non-profit organizations is gaining importance in the academic field of political science, as well as in the practitioner community. At this time, a task force in the Louisiana legislature is studying the state's contracting practices with non-profits. As the state wrestles with funding limitations, non-profit organizations are being compelled to make their case to state government. It is no longer sufficient for non-profits to assume that the public is aware of their value; the next effort is how to distinguish the non-profit sector from the for-profit sector. If non-profit organizations are relying on government funding and fees for services, if they are more sophisticated in their financial management, more proactive in their advocacy and more effective in their interest groups,—what distinguishes non-profit organizations from for-profit businesses?

The success of government contracting and the increasing sophistication of the non-profit organization sector, may in fact be the forces that lead to the demise or significant restructuring of the sector. The debate within the academic community and the governmental sector is starting to focus on the value and role of non-profits, but in conflicting ways. The efforts in Congress and at the state level to evaluate the tax exempt status of non-profits as they look for revenue sources may jeopardize the non-profit sector. The question becomes, why should non-profit organizations receive tax exemptions and other special rights?

At this time, the non-profit sector is trying to distinguish itself from the for-profit sector, by retaining the community based values while balancing the professional expectations. As for-profit entities become more aware of the billions of dollars contracted to non-profit organizations for community services, the competition will increase for those dollars. As Ryan (1999) mentioned, the private market has recognized the dollar value of services contracted out by government. With large private companies, such as Lockheed Martin, competing to run the welfare departments of some states, community based non-profit organizations are at a distinct disadvantage in a competitive marketplace. Furthermore, as social services such as welfare become managed on the basis of market economy rather than social need, the entire care structures of society may undergo significant transformation.

The future viability of non-profits may be threatened by this new emerging market of government contracted out services and the increased competition to be the vendors for those services. This competition is internal to the non-profit sector and external from the for-profit sector.

This study evaluated the effect of government funding on non-profit organizational behavior in Louisiana. The study was timely in responding to a larger conversation about the role of non-profits, the value of non-profits and the significance of the government-non-profit relationship. Further research is necessary in this field to evaluate the changing dynamics in the three sectors. The next step for research might be to replicate this study with two co-horts: one of non-profit contractors and one with for-profit contractors to determine similarities and differences in organizational behavior.

The dynamics of the impact of government funding is an appropriate next step for analysis.

In addition to evaluating the government contractor relationship with non-profits, it may be necessary to develop a strategy to articulate the distinctiveness and value of the non-profit sector in the 21<sup>st</sup> century. This research project has added to the conversation about the relationship between non-profits and government. Despite its shortcomings, the non-profit sector provides valuable services to people in need regardless of how those services are funded. Hopefully, the public will not lose sight of the intrinsic values of association, voluntarism, and community responsibility embodied in the non-profit sector.

At the national level, the debate is heating up about the value, role and significance of non-profits. As academicians and practitioners attempt to justify the intrinsic value of non-profit organizations as intermediary organizations that promote the public good, build civil society and provide venues for civic engagement, the for-profit competitors challenge tax exemptions and compete for government funding.

The significance of the non-profit sector as a major force in civil society is the emerging issue in the field. Drucker suggests that non-profits will be even more important organizational entities in the millennium as people seek connections to one another. Rifkin suggests that the third sector will have an even more vital role as a means of building community and providing opportunities for expressions of citizenship through volunteering (Rifkin, 1997, 101). The belief that the non-profit sector is driven by small contributions and volunteers is still important to the American ethos.

The reality may be that the financial pressures and the emphasis on contracting and fees for services will lead to a restructuring of the non-profit sector. The stratification of the non-profit sector may follow a business model and create national, statewide, and regional non-profit service providers that are predominantly funded by government and fees for services. These larger entities may draw the attention of for-profit competition and Congress. On the other hand, as mentioned earlier and has been demonstrated in the medical service delivery sector, the emergence of a market determined social service sector may have serious implications for the quality of those services being provided. The smaller community based non-profit and faith based organizations may then be free to continue to live up to the expectations that the non-profit sector is volunteer driven community organizations connecting individuals with opportunities to promote the public good, build civil society and enhance the quality of life in the United States.

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## **APPENDICES**

## APPENDIX A. SURVEY QUESTIONNAIRE

### Louisiana Association of Nonprofit Organizations (LANO)

*Please have the Chief Executive Officer, Executive Director or Board Chair complete this survey.*

Your Name					Phone #				
Title					Fax #				
# of Years you have worked in nonprofit sector:					E-Mail				
# of Years in current position:					Zip				
Organization					# of Board Members:				
Address					Did you file an IRS Form 990 in 1996?				
City					Year Incorporated:				
Parish					If not incorporated, year organized?				
United Way Agency: Yes _____ No _____					Federal Employer ID Number _____				
<b>About Organizational Needs and Interests</b>									
Check how useful each of the following trainings or services would be to your organization if they were available from LANO.									
<b>1. Types of Training/ Technical Assistance</b>		Very Useful	Some-what useful	Not very useful	Not useful at all	Not Sure	<b>About Your Organization</b>		
							There are many different types of organizations with different interests and needs for services.		
a. Strategic or long-range planning							3. Number of staff: <i>Write number of staff for all that apply:</i>		
b. Program management							a. Full-time		
c. Program evaluation/outcomes							b. Part-time		
d. Financial management/accounting							c. Seasonal/Contract		
e. Personnel management/Labor law							d. Frequent Volunteers		
f. Employee benefits/pensions							4. Total revenue in most recent fiscal year:		
g. Fundraising/development/grants							a. \$0 - \$10,000		
h. Marketing or public relations							b. \$10,001 - \$500,000		
i. Board development/recruitment							c. \$500,001 - \$1 million		
j. Volunteer management/training							d. \$1 million to \$2 million		
k. Legal issues/risk management							e. \$2 million to \$4 million		
l. Board governance/training/roles							f. over \$4 million		
m. Management/leadership							5. Please estimate the percentage of your total operating revenues from each source: %		
n. Computer technology/training							a. Memberships		
o. Bulletin boards/Webpages/Internet							b. Direct individual contributions/events		
p. Grant writing workshops							c. Earned income/Fees, Services, Products		
q. Government contract management							d. Federal Government Grants and contracts		
r. Job/employment listings							e. State Government Grants and contracts		
s. Ethics & accountability							f. Local Government Grants and contracts		
<b>2. Resources and Publications</b>		Very Useful	Some-what useful	Not very useful	Not useful at all	Not Sure	g. Corporate Grants, contracts, contributions		
a. Salary surveys							h. Foundation grants, contracts		
b. Statewide Directory of Nonprofits							i. Combined Fundraising/United Way		
c. Economic Impact Study of Sector							j. Interest, Investment Income		
d. Consultant Directory							k. Other		
e. Training and Conference Info.							6. What is the geographic area served?		
f. Legal services/CPA clearinghouse							a. National		
g. Conferences- State/Local							b. Multi-state		
h. 800# Information Fax back service							c. State		
i. Foundation Directory							d. Multi-parish		
j. Quarterly newsletter/public policy							e. Single-parish		
k. Grants resource list/sources							f. Municipal		
l. Internet Services/WEB site							g. Neighborhood		
m. Issue Briefings in your community							h. Other		

Please return survey to the Council for A Better Louisiana, P.O. Box 4308, Baton Rouge, LA 70821-4308 or Fax to (504) 338-9470. Thank you for completing this survey. We appreciate your assistance in planning to help meet your needs for training, information and advocacy. Please return this survey at your earliest convenience. If you have questions, please call Melissa Flournoy on (504) 344-2225.

## Louisiana Association of Nonprofit Organizations (LANO)

Please check the usefulness of the products or services which may be provided by LANO. Your responses will determine the services.					Please check the categories which apply.	
7. Vendor Products and Cost Saving Services	Very Useful	Somewhat useful	Not very useful	Not useful at all	Not Sure	13. Your Organization's Service Delivery Areas
a. Statewide nonprofit directory						f a. Aging, seniors, nursing homes, councils on aging
b. Long distance telephone rates						f b. Arts, culture, humanities, museum
c. Software						f c. Civic, community, social, fraternal, neighborhood
d. Computer hardware/Internet						f d. Children, Day Care, Youth, Education
e. Health/dental insurance						f e. Civil rights, social action, advocacy, public policy
f. Disability insurance						f f. Community improvement, economic development
g. Directors/Officers insurance						f g. Developmental disabilities, mental retardation
h. Property/casualty insurance						f h. Employment, jobs, vocational training
i. Special event insurance						f i. Environment, wildlife, urban forestry
j. Automobile insurance						f j. Food, nutrition, agriculture
k. Payroll service						f k. Hospital, health, care, support, community
l. Accounting service						f l. Housing, shelter, homeless
m. Retirement/pension plans						f m. Human/Social services-general
n. Unemployment benefits						f n. Legal services or criminal justice program
o. Discounts on office supplies						f o. Mental health, crisis intervention
p. Mailing list management						f p. Philanthropy, volunteerism
q. General liability insurance						f q. Grant making foundation
r. Travel, airlines, hotels, cars						f r. Public policy
s. Office equipment/furniture						f s. Protective service, foster care, court advocacy
t. Printing/copying						f t. Recreation, leisure, sports, parks, zoos
u. Publications/books						f u. Family services, domestic violence
8. Does your organization need training in outcome measurement?						f v. Religious, churches, orders/communities
a. Yes						f w. Rehabilitative services
b. No						f x. Residential services
c. Not sure						f y. Science and technology
9. Does your organization have access to the Internet?						f z. Social sciences
a. Yes						aa. Substance abuse (drug and alcohol)
b. No						bb. Women's issues or health
10. What are the major obstacles to your organization's use of technology, the Internet, e-mail? Check all that apply.						14. How many separate programs, divisions or organizational units does your organization have?
a. Computers/hardware/software						a. 0 to 3 programs
b. Funding not available for technology						b. 4 to 5 programs
c. Training not available						c. more than 9 separate programs or divisions
d. Staff concerns about technology						15. What % of your organization's activity is devoted to each of these areas?
e. Other						a. Direct Services
11. Is enhancing the computer and technology capacity of your organization a priority?						b. Policy/Advocacy
a. Yes, enhancing technical capacity is a top priority						c. Research
b. Yes, as funds become available						d. Education
c. Yes, but not this year						e. Public Relations/Community Exposure
d. If usefulness to our mission could be demonstrated						16. Is your organization affiliated with a national organization? Example: YWCA or Boys and Girls Club?
e. No, technology is not a priority						a. Yes
f. Not sure						b. No
12. What are your organization's top priorities in 1997-1998? Rank Order						17. Which services are offered by the national organization?
a. Program Evaluation and Outcome Measurement						a. Annual Conferences and Training
b. Fund Development or funding stabilization						b. Newsletters, Publications, Resources
c. Program planning, assessment and strategic planning						c. Cost Savings Discounts on Products and Services
d. Staff Development and Training						d. Information, Research and Public Policy Updates
e. Board and Volunteer Recruitment and Training						e. National and regional training seminars
f. Collaboration and coordination with other nonprofits						f. Internet Services, List Serves and other resources
g. Program Operation						g. Materials for use at local level for programming
						h. Fundraising assistance

## Louisiana Association of Nonprofit Organizations (LANO)

Sometimes, the very existence of an organization is challenged, whether by internal or external factors. These questions are targeted to assess the environment and determine your organization's needs for services to be provided by LANO.							
18. Describe the current environment for accomplishing your mission? 4=strongly agree, 3=somewhat agree, 2=somewhat disagree, 1=strongly disagree, 0=don't know				23. How important are the following reasons for your organization to join a coalition, association or collaboration? 4=very important, 3=somewhat important, 2=not very important, 1=not important, 0=don't know			
a. Funding is readily available for the program from local private sources				a. To access costs savings and benefits such as discounts on insurance, computers or supplies			
b. Funding is readily available from government sources				b. To gain direct services, training and management assistance such as conferences and seminars			
c. Funding is difficult to secure for the operation of the programs				c. To receive advocacy and public policy information and national updates, alerts and summaries of national events			
d. The community is very receptive and supportive of the organization				d. To participate and receive information and research on the impact of the nonprofit sector			
e. There is stiff competition for limited resources				e. To participate in grantwriting seminars and learning about funding options for my organization			
f. Organizations need to work together more				f. To participate in a popular and emerging initiative to strengthen the nonprofit sector			
g. We need to maintain all existing programs				g. To respond to external threats to the nonprofit sector more effectively			
h. We need to encourage collaboration and mergers of organizations to reduce duplication				h. To galvanize support and interest of the significance of the types of services provided by my organization			
i. There are plenty of community volunteers and board members				i. To meet and network with other nonprofit leaders interested in similar issues, to share experiences and gain insights, professional contacts, career advancement and leadership opportunities			
j. There is a need to develop volunteers and board members				j. To receive up to date and timely advocacy information on legislative activities, issues, and policies at the state level			
k. Competition for resources is fierce between my organization and others with similar services and values				k. To receive publications and resources on the sector, information on trends, issues, services and solutions			
l. My organization faces stiff competition for resources from other organizations that oppose our values, programs and services				l. To participate in forums with grantmakers to discuss issues, funding, grants, priorities			
19. Do you think the overall environment for accomplishing your mission is better or worse than five years ago?				24. Is your organization affiliated or a member of any associations, coalitions or collaborations? If yes, check all that apply.			
a. Better				a. Neighborhood		c. National	
b. About the same				b. Local community		d. International	
c. Worse				c. Regional		e. Specific Issue Group	
d. Not sure				d. State-wide		f. Other	
20. In the past five years, has your organization experienced a problem major enough to threaten its continued existence?				25. What are the major barriers to joining a state-wide association of nonprofit organizations?			
a. Yes		b. No		a. Limited funding for dues			
21. Identify importance of issues which could threaten your organization's existence. 4=very important, 3=somewhat important, 2=not very important, 1=not important, 0=don't know				c. Concern about overrepresentation of one type of organization Example: children, aging, arts, homeless			
Internal Threats		External Threats		d. Limited time to participate			
a. Inadequate funding		a. Competition for funding resources		e. Concern over advocacy activities			
b. Board Conflict		b. Governmental and regulatory changes		f. State groups do not further the organization's mission			
c. Staff Turnover		c. Competition for clients		g. Questions about the mission of the association			
d. Inadequate Membership		d. Lack of community support		h. No substantive barriers to participation			
22. Within the next five years, would you expect that your organization will face a serious challenge to its existence?				26. Given the range of services potentially available to your organization, how likely is it that your organization would consider joining the Louisiana Association of Nonprofit Organizations?			
1. Very Likely		2. Somewhat likely		3. Not very likely		4. Don't Know	

## Louisiana Association of Nonprofit Organizations (LANO)

Governmental decisions affect nonprofit organizations funding and operation. More nonprofits are receiving local, state and federal funds. This section deals with issues of nonprofit advocacy and the public policy challenges facing the nonprofit sector.											
<b>27. Are you familiar with state and federal regulations regarding nonprofit advocacy?</b> a. Very familiar      c. A little familiar b. Somewhat familiar      d. Not familiar						<b>35. How important is it for your organization to be accountable to these groups?</b> 4=very important, 3=somewhat important, 2=not very important, 1=not important, 0=Don't Know a. Clients/ customers      c. Media      e. Public b. Government      d. Funders/ supporters      f. Staff/Volunteers					
<b>28. Do you think nonprofit organizations should be involved with advocacy activities?</b> a. Strongly agree      c. Strongly disagree b. Agree      d. Disagree						<b>36. What advocacy activities has your organization conducted in the last two years?</b> Federal      State      Local a. Phone calls, faxes, letters to elected officials b. Personal visits with elected officials, community leaders c. Media involvement-editorials d. Tracking of legislation/testimony at hearings e. Attending/Conducting meetings or briefings f. Organizing grassroots efforts, mailings					
<b>29. Does your organization have a policy or practice of prohibiting advocacy activities?</b> a. Yes b. No c. Not sure						<b>37. Approximately how many times does your organization contact elected public officials at the local, state or federal level?</b> a. Once a week or more      c. Several times a year      e. Never b. Once a month to several times a quarter      d. During the legislative session only      f. Not sure					
<b>30. In conducting your lobbying /advocacy activity with the state legislature, how often do you consult, communicate, or cooperate with other organizations sharing your goals and also engaged in lobbying the state legislature?</b> a. Always      d. Rarely b. Often      e. Never c. Sometimes      f. Don't Know						<b>38. Who in your organization has worked to influence public policies at the local, state or federal level?</b> a. Executive/CEO      c. Board member      e. Volunteer b. Board Chair      d. Other staff      f. Lobbyist					
<b>31. In conducting your lobbying /advocacy activity with the state legislature, how often do you find your self in direct competition with other organizations opposed to your position?</b> a. Always      d. Rarely b. Often      e. Never c. Sometimes      f. Don't Know						<b>39. Do you contract with government agencies?</b> a. Yes      b. No					
<b>32. Other than newspaper coverage, do you receive information about the legislature's actions affecting the nonprofit sector?</b> a. Always      d. Rarely b. Often      e. Never c. Sometimes      f. Don't Know						<b>40. How have your contracting practices changed? Do you work or contract with government agencies?</b> In the Last Five Years      Plans for Next Five Years Work      Contract      Work      Contract a. More b. Less c. Same					
<b>33. Would additional information about the activities of the Louisiana Legislature and activities in state and national government be helpful?</b> a. Always      d. Rarely b. Often      e. Never c. Sometimes      f. Don't Know						<b>41. With which state departments have you worked or contracted?</b> Work      Contract a. Health and Hospitals/LSUMC b. Social Services c. Corrections, Public Safety, Probation, Parole d. Environment, Quality/Natural Resources/ Agriculture e. Education/BESS/School Boards/Universities f. Governor's Office/Elderly/Women's/Rural/Urban/Children's Cabinet g. Economic Development h. Labor/Workforce Development i. Lt. Governor/Citizen's Recreation and Tourism j. Attorney General k. Secretary of State l. Other					
<b>34. How important are these barriers to your organization becoming more involved in public policy and advocacy?</b> 4=very important, 3=somewhat important, 2=not very important, 1=not important, 0=Don't Know a. Lack of information about appropriate activity b. Concern by board members c. Limitations of staff time d. Diverse constituents and lack of consensus e. Limited resources-focus on programs f. Lack of information on issues g. Other											

## Louisiana Association of Nonprofit Organizations (LANO)

LANO is concerned about advocacy and public policy issues. Please help us identify priority needs and issues in the sector.			
<b>42. What are your organization's public policy and information training needs?</b>		<b>45. How important are these challenges facing the nonprofit sector in the next 3 - 5 years?</b>	
1. One page summaries of issues b. Media relations/talking points/editorials c. Nonprofit accountability/ethics/standards d. Legal services e. Research, detailed policy analysis f. Representation at the Legislature g. Nonprofit lobbying regulations and training h. Website/list serv Updates on Policy i. Legislative Fax Alerts j. Newsletter/information (mail)		1=very important, 3=somewhat important, 2=not very important, 1=not important, 0=Don't Know a. Accountability: Maintain Public Credibility and Trust of nonprofit organizations b. Threats to tax exemption status: elimination of charitable deduction, elimination of property tax exemption c. Federal regulations on advocacy: contact with public officials, First Amendment issues d. Public Appreciation: Explaining economic impact of sector, educating the public about the role and value of nonprofits e. Human Resource Constraints: lack of staff and volunteers, concerns about salaries and benefits f. Increased expectations for service delivery: as result of welfare reform, policies, etc. g. Managed Care: Capitation issues, access to services, integrated service networks h. Resource Competition: funding /contracts i. Changing legal requirements: Reporting at state and federal levels, financial disclosure j. Devolution: Block Grants and Federal Funding Cuts k. Personnel and Liability Issues l. Taxes on Unrelated Business Income m. Increasing private dollars contributed to nonprofits n. Expanding partnerships and collaborations with nonprofits o. Expanding nonprofit partnerships with business and industry p. Developing methods for evaluating impact of nonprofit programs	
<b>43. In the next five years, how much time will your board and staff spend on advocacy?</b>		<b>46. Please take a moment and let us know your comments. What other services do you need? What is the primary benefit of joining an association?</b>	
a. More time b. About the same amount of time c. Less time d. Will hire staff for policy and advocacy		a. To governing bodies such as local, state or federal elected officials b. Through the courts c. To the public at large to promote better understanding of your program, services or issues d. To clients and customers e. With the media f. With funding sources	
<b>44. How important is it for your organization to advocate for the people, services and causes to these?</b>			
1=very important, 3=somewhat important, 2=not very important, 1=not important, 0=Don't Know			
<b>About the Chief Executive Officer</b>			
<b>47. Do you consider yourself to be:</b>		<b>49. Are you?</b>	
a. African American/Black b. Asian American c. Caucasian/White d. Latin American/Hispanic/American Indian e. Multi-racial f. Other		Under 30   30-40   40-50   50-60   60+	
<b>48. Are you....</b>		<b>50. What is your education level: Check highest level completed.</b>	
a. Male b. Female		High school   College   Master's   Doctorate	
		<b>51. Do you belong to any professional organizations?</b>	
		a. Yes b. No	
		<b>52. Do you serve on the board of another nonprofit organization?</b>	
		a. Yes b. No	
		<b>53. Did you attend a national conference in the last year?</b>	
		a. Yes b. No	
		<b>54. Do you think the services of an association would be helpful to you?</b>	
		a. Very helpful   b. Somewhat helpful   c. Helpful   d. Not very helpful	

Please return this survey to the Council for A Better Louisiana, P.O. Box 4308, Baton Rouge, LA 70821-4308. Fax to (504) 338-9470. Thank you for completing this survey. We appreciate your assistance in planning to help meet your needs for training, information and advocacy. Please return this survey at your earliest convenience in the enclosed envelope. If you have questions, please call Melissa Flournoy on (504) 344-2225.



## **APPENDIX B. CASE STUDY QUESTIONNAIRE**

**ORGANIZATIONAL SURVEY: CASE STUDIES**  
**THE EFFECTS OF GOVERNMENT FUNDING ON NONPROFIT ORGANIZATIONAL BEHAVIOR**

NAME
TITLE
ORGANIZATION
CITY
PARISH
UNITED WAY
# OF BOARD MEMBERS
YEAR INCORPORATED

**ORGANIZATIONAL INFORMATION**  
**WHAT IS THE MISSION OF YOUR ORGANIZATION?**

**WHAT SERVICES DO YOU PROVIDE?**

**PLEASE DESCRIBE YOUR ORGANIZATIONAL STRUCTURE**  
**# OF PROGRAMS**  
**# OF STAFF**

**WHAT IS THE ROLE OF YOUR BOARD IN YOUR ORGANIZATION? OVERSIGHT, POLICY MAKING, OPERATIONS**

**HAS YOUR MISSION CHANGED SINCE THE BEGINNING OF YOUR ORGANIZATION? HOW HAS IT CHANGED? WHAT FACTORS, ISSUES, OPPORTUNITIES, CHALLENGES AFFECTED YOUR ORGANIZATION TO CHANGE YOUR MISSION?**

**FUNDING:**

**ORGANIZATIONAL SURVEY: CASE STUDIES**  
**THE EFFECTS OF GOVERNMENT FUNDING ON NONPROFIT ORGANIZATIONAL BEHAVIOR**

**HOW IS YOUR ORGANIZATION FUNDED? HAS THE FUNDING MIX OF YOUR ORGANIZATION CHANGED OVER THE LAST TWENTY YEARS? IN THE LAST TEN YEARS?**

**IF YOU RECEIVE GOVERNMENT FUNDING, WHAT PERCENTAGE OF YOUR BUDGET IS FROM GOVERNMENT SOURCES? DO YOU CONTRACT WITH STATE GOVERNMENT? FEDERAL GOVERNMENT? GRANTS?**

**DOES RECEIVING GOVERNMENT FUNDING AFFECT YOUR ORGANIZATIONAL DECISION-MAKING? ARE YOU MORE OR LESS LIKELY TO BE INVOLVED WITH ADVOCACY ACTIVITIES?**

**ADVOCACY:**  
**IS YOUR ORGANIZATION INVOLVED WITH ADVOCACY ACTIVITIES? IF SO, PLEASE EXPLAIN.**

**DO YOU ADVOCATE FOR SUSTAINING OR ADDITIONAL FUNDING?**

**WHO IN YOUR ORGANIZATION IS INVOLVED WITH ADVOCACY ACTIVITIES?**

**WHAT IS THE BOARD'S INVOLVEMENT WITH ADVOCACY?**

**ORGANIZATIONAL SURVEY: CASE STUDIES**  
**THE EFFECTS OF GOVERNMENT FUNDING ON NONPROFIT ORGANIZATIONAL BEHAVIOR**

**ALLIANCE BEHAVIOR**  
**IS YOUR ORGANIZATION A MEMBER OF ANY COALITIONS, COLLABORATIONS, ASSOCIATIONS?**

**WHAT ARE THE PRIMARY REASONS FOR PARTICIPATING IN ALLIANCES?**

**WHAT ARE THE BENEFITS FOR YOUR ORGANIZATION PARTICIPATING/WORKING WITH OTHER ORGANIZATIONS?**

**WHAT FACTORS INFLUENCE YOUR DECISIONS TO PARTICIPATE IN ALLIANCES, COLLABORATIONS AND ASSOCIATIONS?**

**WHAT ARE THE BENEFITS TO YOUR ORGANIZATION TO PARTICIPATE IN ALLIANCES?**

**CONTEXTUAL FACTORS:**

**ORGANIZATIONAL SURVEY: CASE STUDIES**  
**THE EFFECTS OF GOVERNMENT FUNDING ON NONPROFIT ORGANIZATIONAL BEHAVIOR**

**HOW HAS THE ENVIRONMENT CHANGED AFFECTING YOUR ORGANIZATION IN THE LAST TEN YEARS?**

**FUNDING AVAILABILITY**  
**GOVERNMENT POLICIES**  
**COMPETITION FOR RESOURCES**

**WHAT ARE THE CHALLENGES FACING THE NONPROFIT SECTOR?**

**WHAT CHANGES DO YOU ANTICIPATE IN YOUR ORGANIZATION IN THE NEXT FIVE YEARS?**  
**PROGRAMS, FUNDING, SERVICES**

# \$ and Sense: Profile of Louisiana Nonprofits

## Louisiana Association of Nonprofit Organizations

### More than Talking— DATA For Nonprofits

#### Credibility and Leadership— Foundations Support LANO

The association is being convened by the Council for a Better Louisiana (CABL). CABL received planning grants from the Foundation for the Mid-South, the Frost Foundation and the National Council of Nonprofit Associations, (NCNA). Funding for 1998 is provided by the founding partners as well as the Greater New Orleans Foundation, the Baton Rouge Area Foundation and the Community Foundation of Shreveport-Bossier.

#### Vision and Services

This new association is supporting a number of efforts to help nonprofits work together:

- cost-saving services and benefits such as health insurance and group purchasing options
- a technical assistance network
- information, education, advocacy and public policy assistance.

#### Statewide Network and Regional Partners

The 30 member Advisory Committee represents the interests of nonprofit organizations from around the state. The Lead Partner regional strategy is helping to develop a strong network of leaders committed to excellence.

<b>WHAT'S INSIDE</b>
<b>DEFINING THE NONPROFIT SECTOR</b>
• Types of Nonprofit Organizations
• Why are nonprofits important in the state?
• How large is the nonprofit sector in Louisiana?
• What were all these organizations? How many?
• Where are the nonprofits?
• Information on United Ways
• Assets and Income of Organizations
• Wages and Employer Information
• Tax Exemptions for Nonprofits
• Next Steps for Nonprofits

### FIRST STEPS FOR RESEARCH

This report outlines the broad framework of the Louisiana nonprofit sector. The data included is as accurate as the sources. This report is the first step in trying to capture the economic impact of the nonprofit sector in the state. For additional copies or if you have questions, please contact Melissa Flournoy at LANO at (504) 343-LANO (5266).

## DEFINING THE NONPROFIT SECTOR

Nonprofit organizations form the civic infrastructure of the United States. Generally, we refer to the public and private sector, but increasingly the responsibility for the provision of services is falling into the realm of the third sector—the voluntary sector, the nonprofit sector, or sometimes called the independent sector.

*(Nonprofit Almanac, 1996-1997, Independent Sector).*

### What is the nonprofit sector?

*The nonprofit sector is the backbone of communities, creating a safety net of social services as well as the fabric of civic and cultural life. In most communities, the staff and volunteers of nonprofit organizations are unsung heroes providing essential community services such as food banks and homeless shelters or providing education from child care services to universities on topics from the arts to AIDS.*

### What is a nonprofit organization?

*A nonprofit organization is a legally incorporated entity. Nonprofit organizations include but are not limited to such groups as: churches, neighborhood centers, art galleries, symphonies, zoos, and recreation programs for disadvantaged children. Nonprofit organizations represent a vast array of resources in communities making lives better, safer or more enjoyable. Nonprofit organizations create a structure for society—to deliver essential community services, create volunteer opportunities and provide life enhancing options.*

#### GENERAL INFORMATION AND PRINCIPLES OF THE NONPROFIT SECTOR

1. Nonprofit organizations are incorporated legal entities at the state level who may choose to file for designation from the IRS as a tax-exempt and/or tax deductible organization. There are twenty-five IRS designations for tax-exempt organizations. The designated organizations receive exemption from federal income taxes and local property taxes.
2. Only the 501 (c) 3 organizations are deemed charitable organizations which are created to serve a public benefit and receive the extra privilege of accepting tax-deductible contributions from individuals and corporations. These organizations must meet the IRS standards of religious, charitable, educational, scientific, and literary purposes. Also included are organizations testing for public safety, fostering national or international sports competitions or working to prevent cruelty to children and animals.
3. Nonprofit organizations are typically private organizations, not a part of or controlled by government.
4. Nonprofit organizations are self-governing, controlled by a voluntary independent board of directors.
5. Nonprofit organizations do not exist for the purpose of making a profit; any profits or excess revenues must be "plowed back" into the operation of the organization and not distributed to board members or officers. This practice differentiates the sector from private business.
6. Nonprofit organizations involve some meaningful degree of voluntary participation either demonstrated by a voluntary board of directors or the extensive use of volunteers for program development and implementation.
7. Nonprofit organizations exist for the public benefit serving some public purpose and contributing to the public good.

*Source: America's Nonprofit Sector, a publication of the Foundation Center.*

**There are more nonprofits than you think....**

## ***Why are people interested in the nonprofit sector?***

At this time, many factors are raising concerns about nonprofit organizations and the changing dynamics of the sector and are affecting the intensity of the discussion about nonprofit organizations:

- ◆ the heightened interest in nonprofit organizations from Congress,
- ◆ the growth in the number of organizations and the expansion in services provided,
- ◆ the increase in government funding at the state and federal levels,
- ◆ Devolution: federal policy changes of block granting funds to states for certain services.

### ***Tocqueville was prescient in his understanding—***

*A government could take the place of some of the largest associations in America, and some particular states of the Union have already attempted that. But what political power could ever carry on the vast multitude of lesser undertakings which associations daily enable American citizens to control? .....The more government takes the place of associations, the more will individuals lose the idea of forming associations and need the government to come to their help. That is a vicious circle of cause and effect. (Tocqueville, p. 517)*

## **Government Funding Of The Nonprofit Sector**

In the United States in 1997, after several decades of the expansion of the role of government in the provision of services, the nonprofit sector is emerging as an engine of government service due to the increase and expansion of government contracting at the local, state, and federal level. This shift to the nonprofit sector has created new linkages, relationships and obligations between the public and nonprofit sectors.

**Table 1.1 GROWTH OF THE U.S. NONPROFIT SECTOR FROM 1977-1992**

Years	Total Annual Funds	# of Institutions	% of all incorporated entities	% of National Income Generated	Full time /Part-time Employees	Volunteer Full-Time Equivalent
1992	\$509 Bn	1.03 million	4.2%	6.5%	9.7 million	5.5 million
1977	\$111 Billion	739,000	4.6%	4.9%	5.5 million	3.2 million

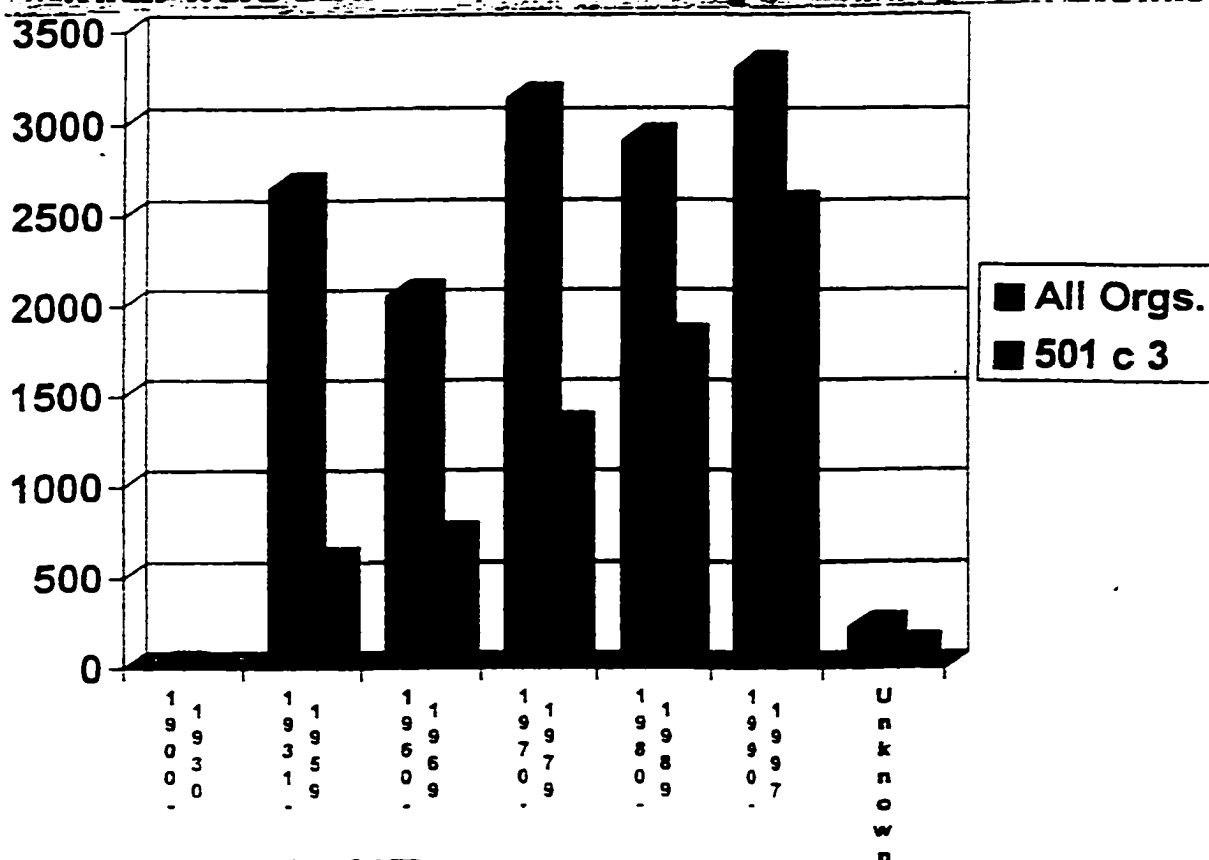
**Table 1.2 Percentage Share of Total Annual Funds by Source of Revenue<sup>1</sup>**

Source	1977	1982	1987	1992	1997
Private contributions	26.3	21.8	22.9	18.4	NA
Private sector payments	37.5	38.7	40.8	39.1	NA
Government sector payments	28.6	28.1	27.9	31.3	NA
Other revenue	9.6	11.4	8.4	11.2	NA
Total %	100	100	100	100	

<sup>1</sup> According to the Independent Sector, there has been tremendous growth in the nonprofit sector. This growth is measured in terms of the number of incorporated nonprofit entities, the number of paid staff in the sector and the percentage of national income generated in the sector. The table outlines the national changes from 1977-1992. (*Nonprofit Almanac*, p. 2)

<sup>2</sup> According to the Independent Sector research, the nonprofit sector has continued to grow over the last two decades. The growth is attributable to federal legislation providing support for Medicare and Medicaid, education grants, programs of support in housing, job training and other social welfare programs. From 1977 to 1994, the growth rate of the independent sector was greatest between 1977 and 1982 and between 1987 and 1992.

### When were all these Louisiana organizations formed?



Source: IRS DATA. Founding dates of 14,278 organizations.

Note: IRS tracks only those nonprofit organizations with over \$25,000 in income or expenditures.

### Nonprofit Organizations Formed in Louisiana in the last 6 years (1992-1997)

Year	1992	1993	1994	1995	1996	1997
# of Orgs.	1,489	1,541	1,934	1,727	1,714	1,637
# of Businesses	10,067	10,947	11,328	11,082	11,531	11,151

Source: Secretary of State, Commercial Division. Note: The Secretary of State records all nonprofits incorporated regardless of size.



# Information from State Nonprofit Almanac, 1997

Figure 3.19.1: Number of Reporting Public Charities in Louisiana by County, circa 1992

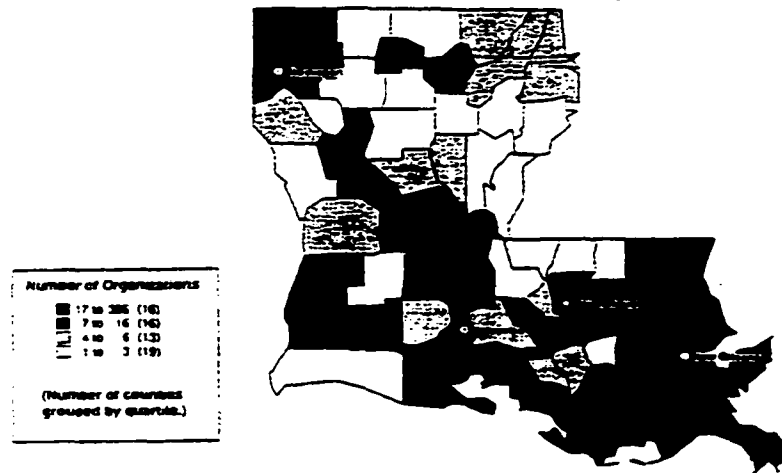
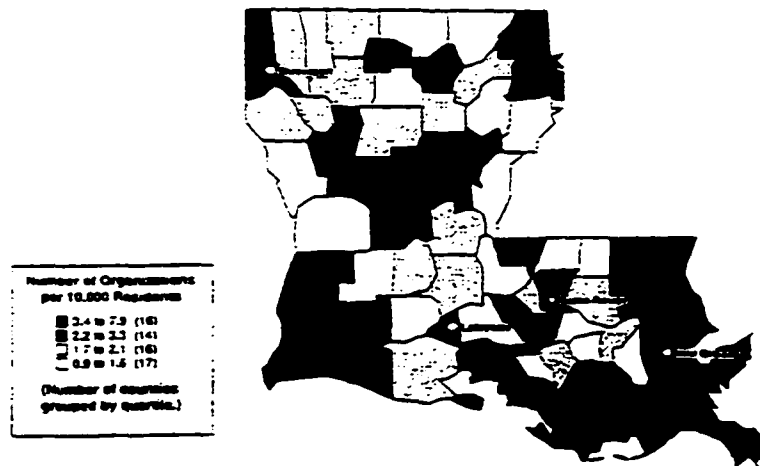


Figure 3.19.2: Number of Reporting Public Charities per 10,000 Residents in Louisiana by County, circa 1992



Sources: U.S. Census Bureau Estimates of the Population of Counties, Internal Revenue Service Exempt Organizations/Business Master File (EO/B 1993, and Return Transaction File, 1993 (returns received in that calendar year) as adjusted by NCCS. See Appendix A for details.  
 Note: Reporting public charities include only organizations that both reported (filed IRS Form 990) and were required to do so. The following were excluded: foreign organizations, government-associated organizations, and organizations without state identifiers. Organizations not required to report include religious congregations and organizations with less than \$25,000 in gross receipts.

## *What is the financial impact of the sector?*

### Assets and Income of Nonprofit Organizations

Types of Nonprofits	# of Organizations	Assets (BILLIONS)	Income (BILLIONS)
501 C 3	7,074	\$8,882,161,706	\$6,475,092,175
Not 501 C 3	7,204	\$2,348,746,084	\$1,258,916,769
<b>TOTAL</b>	<b>14, 278</b>	<b>\$11,230,907,790</b>	<b>\$7,734,008,944</b>

Source: IRS, Form 990s for 1996 as downloaded from IRS web-site. Information only on those organizations with over \$25,000 of financial activity.

### Financial Size of Nonprofit Organizations

Asset/Income Size	CODE	Assets -All Orgs.	Assets 501 C 3 Orgs.	Income All Orgs.	Income 501 C 3
0	0	9,729	4,531	9,628	4,504
1-\$9,999	1	587	300	279	121
\$10,000-\$24,999	2	442	234	61	40
\$25,000-\$99,999	3	1,052	554	1,621	750
\$100,000-\$499,999	4	1,278	640	1,629	903
\$500,000-\$999,999	5	393	223	475	313
\$1,000,000-\$4,999,999	6	572	401	45	339
\$5,000,000-\$9,999,999	7	101	88	47	39
\$10,000,000-\$49,000,000	8	83	71	56	42
\$50,000,000 to greater	9	41	32	28	23
<b>Total # of Organizations</b>		<b>14,278</b>	<b>7,074</b>	<b>14,278</b>	<b>7,074</b>

Source: IRS, Form 990s for 1996 as downloaded from IRS web-site. Information only on those organizations with over \$25,000 of financial activity are required to file IRS Form 990.

## United Ways are examples of strength of sector.

United Way	1996 Campaign Totals \$	Total Expense Budget of All Agencies	Total Government Funding of All Agencies	% of Government Funding
Baton Rouge	\$9,800,000	\$46,539,502	\$20,648,509	44.4%
Morehouse	\$125,000			
St. John	\$300,000			
New Orleans	\$18,401,011	\$92,049,948	\$41,50,097	44.8%
Acadiana	\$2,400,320	\$24,496,752	\$14,821,377	60.5%
Bogaloussa	\$280,000	\$937,640	\$656,345	70.0%
Central LA	\$1,700,000	\$6,791,927	\$3,586,483	52.8%
Iberia	\$285,852	\$16,583,314	\$13,205,173	79.6%
Northeast	\$2,880,000	\$7,802,291	\$4,889,631	62.7%
Northwest	\$3,100,000	\$37,179,056	\$13,775,284	37.1%
South LA	\$1,800,000	\$3,180,205	\$1,716,924	54%
Southwest	\$3,099,807	\$16,626,744	\$7,688,369	46.2%
St. Charles	\$726,310	\$13,282,824	\$1,232,055	9.3%
St. Landry	\$100,000	\$1,382,268	\$1,246,759	90.2%
<b>TOTAL</b>	<b>\$44,998,300</b>	<b>\$266,852,471</b>	<b>\$124,717,006</b>	<b>46.7%</b>

Source: 1997 United Way Report

## State Government Funding for Nonprofits

Data Source: LA Division of Administration, Office of Contractual Review

Approved Contracts in CFMS with Nonprofit Organizations as of November 7, 1997.

1,085 active contracts on this date with organizations with indication of nonprofit status in the AGPS Vendor Table VEN2.

**1,085 Contracts = \$309,825,304.95**

### Types of Contracts Covered:

SOC-Social Services  
 PRO-Professional Services  
 CON-Consulting Services  
 PER-Personal Services  
 COP-Cooperative Endeavor Agreements  
 AGY-Interagency Agreements  
 GOV-Intergovernmental Agreements

Note: The staff of DOA has voiced some concerns that this list may not be exhaustive, in that some coding errors may be present in system. This data is valid for those organizations correctly coded as of November 7, 1997.

## Louisiana Employment and Wage Data

Department of Labor data is tracked by Standard Industrial Classification Codes (SIC). The following table include totals for each SIC code for 1996. Generally speaking, most nonprofits will be included in the following categories:

SIC CODE	Description	Total Wages	Average Workers	No. of Firms
60	Federal and State Credit Unions			
67	Educational and Religious Trusts			
79	Amusement and Recreation: Entertainment, membership, sports and recreation clubs	671,382,917	38,860	1,305
80	Health Services: Home Health, medical facilities	5,362,028,653	201,358	7,470
82	Educational Services: Colleges and Universities, elementary and secondary schools			
83	Social Services: Individual and family services, child care services	601,805,796	41,096	2,707
84	Museums, art galleries, botanical and zoological gardens	20,798,719	1,350	45
86	Membership Organizations: Civic, social, professional and religious associations	105,638,513	6,202	902
94	Administration of Human Resources: social and manpower programs			

Source: 1996 Louisiana Employment and Wages, prepared by The Research and Statistics Division of the Louisiana Department of Labor

**Note:**

This TABLE includes all workers in these categories, not only those in the nonprofit sector. LANO is working with the Louisiana Department of Labor to accurately document the number of employees and wages paid in the nonprofit sector. Employers with fewer than 4 employees are excluded from wage and employment figures.

**COMPLETE AND ACCURATE DATA** for nonprofits only in each SIC code has been requested from the Research and Statistics Division of the Louisiana Department of Labor. Data will be available from DOL by March 15, 1998.

## TAX EXEMPTIONS FOR NONPROFITS

### DEFINITIONS:

The term tax exemption is used to describe all exemptions, exclusions, deductions, credits, preferential tax treatments and tax deferrals. Tax exemptions are tax dollars that are not collected and result in a loss of state tax revenues available for appropriation. In this sense, the fiscal effect of tax exemptions is the same as a direct tax fund expenditure.

- Exclusions are items that have been excluded from the tax base.
- Exemptions are items that were included in the tax base, but have been specifically
- Alternate reporting methods allow taxpayers to report and remit taxes in a manner different from the normally required procedure.
- Credits are situations when the taxpayer can deduct the credit amount from the tax due and pay only the net tax due.
- Refunds are the result of taxes paid initially for which the taxpayer may be reimbursed.

Source: Tax Exemption Budget, 1996-1997, LA. Department of Revenue and Taxation. This report includes all tax exemptions for nonprofit organizations that are provided for by state statutes for taxes administered by the Department of Revenue and Taxation.

### Scenarios for Sales Tax Exemptions For Nonprofits

At the present time, there are 29 statutorily defined sales tax exemptions or exclusions that benefit nonprofit organizations. These exemptions range from exemptions on admission tickets to purchases at Ducks Unlimited events. In many states, nonprofit organizations are exempt from all sales taxes. In Louisiana, a more "piecemeal" approach has been used.

With the general health of the state's economy, many special interests may be looking to the legislature for sales tax exemptions. Many nonprofit organizations are meeting critical community needs. In many cases, these organizations are funded by state and federal funds and are providing essential services which would otherwise be provided by government. A sales tax exemption for these "public charities" may be an appropriate strategy. In order to reasonably limit the financial implications of a sales tax exemptions, it will be necessary to clearly define those organizations which meet the criteria of "public charities."

In other scenarios, the United Ways of Louisiana may pursue legislation to provide sales tax exemptions only for United Way agencies as a first step to trying to get sales tax exemptions for all nonprofits. In addition, the Catholic Schools may also be interested in a sales tax exemption. A sales tax exemption is one means of helping to offset the operating cost of organizations.

**Example of United Way Sales Tax Exemption:** Based on United Way internal projections, United Way organizations pay approximately .38% of their budgets in sales taxes.

**Sales Tax Calculation:** \$266,000,000 x .38% = approximately \$1 million dollars.

Table D.1 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations  
Dependent Variable: CONTRACT Models 1 – 8

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6		Unweighted Model 7		Weighted Model 8	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-1.9993	1.0627	-1.0613	.5129	-2.0618	1.1242	-1.3125	.7102	-1.4189	.7977	-.7657	.3910	-1.6363	.9373	-1.3193	.7481
Organizational Characteristics																
United Way	.3544	.6531	.2147	.2762	.3453	.6391	.2582	.3431	.2279	.4271	-.0591	.0768	.2398	.4460	.0454	.0592
Board size	.0160	.7539	.0162	1.7763*	.0166	.8958	.0531	1.9293**	.0179	.8379	.0609	1.9017**	.0193	.9794	.0625	2.1011**
Staff/full	.0583	1.5786	.1166	2.2570**	.0671	1.7425*	.1221	2.3821***	.0650	1.8472*	.1219	2.3912***	.0711	1.9695**	.1278	2.4906***
Revenue	.1016	.4468	.1398	.5258	.1923	.7842	.2870	1.0037	.0418	.2119	.0419	.1897	.1014	.4936	.1433	.6138
National	-.3323	.5855	-.0964	.1418	-.5817	1.0596	-.2699	.4521	-.4097	.7299	-.1405	.2154	-.6319	1.1709	-.4386	.7928
Educo	-.1441	.3387	-.2862	.6223	-.1095	.2694	-.3222	.7825	-.2870	.7144	-.3688	.8610	-.2186	.5665	-.3064	.7960
Racecen	-1.5229	1.6028*	-1.5191	1.6387	-1.6170	1.6812	-1.8189	1.9178**	-1.4589	1.6407*	-1.7056	1.8938**	-1.5092	1.7164*	-1.9711	2.1618**
Orgage	-.00975	.7025	-.0370	1.8648*	-.0131	.9836	-.0432	2.1929***	-.0135	.9978	-.0380	1.9027**	-.0164	1.2475	-.0456	2.3330***
Contextual Factors																
Devolution	.3224	1.6444*	.2922	1.2748	.3392	1.7479*	.3451	1.5584	.3407	1.7761*	.3774	1.6657*	.3690	1.9469**	.4408	2.03**
Duplica	.00137	.0000	-.2040	.8913	.0607	.3005	-.0844	.3714	-.0371	.1942	-.3269	1.5129	.0164	.0849	-.2001	.9402
Compliance	.1933	1.0060	.1233	.5866	.1616	.84	.1262	.6294	.2254	1.2530	.2350	1.2095	.0256	1.1392	.2372	1.2565
Funding Variables																
Contract																
State/fedloc																
Fedimon																
Statemon																
Localmon																
Advocacy Variables																
Advocat									.1537	2.2377**	.1084	1.5418	.1454	2.1091**	.0914	1.3376
Visitad	.9847	2.460**	.8034	2.0040**	.9000	2.4021***	.6476	1.7779*								
Trackad	-.1796	.4940	-.0196	.0583	-.1504	.4207	.0554	.1664								
Grassad	.0243	.0583	-.4045	.9170	-.00262	.0000	-.4881	1.1323								
Coalition/Alliance Behavior																
Coalition					-.0137	.0831	.0268	.1490					-.00883	.0566	.0339	.1939
State collaboration	.8628	1.5068	1.2512	1.8519*					.6621	1.2201	1.0154	1.6213*				
National coll	-.3791	.5956	-.3452	.5010					-.3449	.5632	-.2735	.4110				
Issue coll	.6014	.9252	.8497	1.1565					.5974	.9583	.9321	1.3508				
Purposive Material																
Solidary																
Separate Programs	-.6508	1.4717	-.08702	1.6004*	-.5137	1.2482	-.6070	1.2179	-.5254	1.2466	-.7177	1.4004	-.4470	1.1083	-.5414	1.1239
# of Observations	116		116		115		115		115		115		114		114	
Pseudo R <sup>2</sup>	.2941		.3530		.2770		.3274		.2741		.3420		.2578		.3159	
-2Log L	152.963		163.240		150.963		160.287		152.031		162.886		150.049		159.942	
Model Chi-Square	48.337		63.299		44.066		55.967		43.428		59.784		39.599		52.651	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.2 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: STATEFEDLOC Models 1 – 8**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6		Unweighted Model 7		Weighted Model 8	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	14.993607	.665	17.327110	.749	9.621217	.421	9.149302	.406	17.798278	.801	22.104897	.961	10.328775	.467	10.339903	.473
Organizational Characteristics																
United Way	2.647215	.402	1.168306	.133	3.021996	.429	1.341264	.144	.739085	.116	-1.117896	-.126	1.133807	.163	-.692084	-.074
Board size	-.436932	-2.198**	-.475274	-2.541***	-.428150	-2.013**	-.387489	-2.055**	-.472849	-2.319**	-.512101	-2.758***	-.438035	-2.094**	-.416911	-2.233
Stafffull	-.021750	-.1395	-.023142	-1.714*	-.014977	-.920	-.015425	-1.088	-.019062	-1.257	-.021790	-1.651*	-.01220	-.769	-.014926	-1.079
Revenue	-.150194	-.079	-1.342454	-.798	-.0473296	-.229	-1.615966	-.858	-.474483	-.253	-1.604993	-.956	-1.007248	-.489	-1.977237	-1.056
National	-.879068	-.122	7.708199	1.001	-6.513672	-.885	1.119410	.144	-.779602	-.110	5.304480	.699	-6.782622	-.938	-.998060	-.132
Educoo	-.383555	-.112	.034836	.007	-.526142	-.100	-.689136	-.139	-1.990631	-.398	-1.797261	-.375	-1.607942	-.316	-1.515517	-.319
Racecco	-6.045117	-.511	-1.022693	-.094	-3.704859	-.309	-1.573145	-.143	-6.651172	-.582	-4.017933	-.380	-2.939988	-.253	-2.991121	-.280
Orgage	.024752	.148	-.029952	-.163	-.108199	-.619	-.208277	-1.060	.026910	.163	-.020752	-.114	-.114070	-.662	-.200118	-1.028
Contextual Factors																
Devolution	6.408936	2.450***	6.614332	2.419***	7.752778	2.888***	7.978099	2.862***	6.661406	2.598***	7.131890	2.632***	8.133266	3.092***	8.532066	3.137***
Dupllica	-2.333188	-.913	-5.198694	1.954**	-2.300943	-.838	-4.750910	-1.668*	-3.057405	-1.198	-6.356117	-2.429***	-3.200826	-1.175	-5.885416	-2.107**
Compliance	1.514865	.629	2.686154	1.060	2.315274	.900	4.441843	1.690*	2.444839	1.043	3.916869	1.613*	3.330542	1.329	5.448732	2.149**
Funding Variables																
Contract																
Statefedloc																
Fedmon																
Statemon																
Localmon																
Advocacy Variables																
Advocact									2.341236	2.692***	1.863468	2.077**	2.126639	2.322**	1.500106	1.616*
Visitat	9.975843	2.403***	9.355397	2.199**	9.432707	2.182**	7.090151	1.635*								
Trackad	.027504	.007	.230254	.057	-1.095167	-.250	-.343612	-.082								
Grassad	-.242368	-.050	-3.683925	-.761	.216708	.045	-3.291385	-.670								
Coalition/Alliance Behavior																
Coalition					2.089072	.936	3.100529	1.359					2.492843	1.135	3.307281	1.460
State collaboration	23.167047	3.190***	27.186696	3.537***					22.159773	3.101***	25.069970	3.313***				
National coll.	-14.754755	-1.841*	-12.522227	-1.513					-16.831471	-2.123**	-13.621991	-1.648*				
Issue coll	4.889402	.624	6.745063	.809					7.940642	1.072	10.608962	1.316				
Purposive Material Solidary Separate Programs																
Separate Programs	-6.187492	-1.213	-5.408640	-1.000	-3.758628	-.721	-6.17216	1.14	-5.274226	-1.075	-4.011269	-.758	-3.212088	-.638	-.036046	-.007
R square	.3245		.3607		.2509		.2884		.3192		.3492		.2459		.2848	
Adj. R square	.2052		.2479		.1345		.1779		.2134		.2481		.1443		.1883	
df-degrees of freedom	120		120		119		119		119		119		118		118	
F	2.722		3.198		2.156		2.609		3.018		3.454		2.422		2.958	
Prob (F)	.0008		.0001		.0109		.0019		.0004		.0001		.0056		.0008	

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test

**Table D.3 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: FEDMON Models 1 – 8**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6		Unweighted Model 7		Weighted Model 8	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-4.1740	2.2687**	-3.9677	1.9779**	-4.5345	2.5690***	-3.0371	2.6880***	-3.7197	2.0972**	-2.8206	1.5474	-4.1387	2.4194***	-4.1523	2.4375***
Organizational Characteristics																
United Way	.9724	1.9386**	1.0816	1.5556	.9650	1.9756**	1.0273	1.5394	.9512	1.9280**	1.0545	1.5753	.9108	1.8996**	.9537	1.4740
Board size	-.0312	1.3245	-.0617	1.7858*	-.0279	1.2030	-.0490	1.5795	-.0309	1.2867	-.0718	1.9572*	-.0263	1.1749	-.0506	1.6324*
Staff/Full	-.00257	1.2113	-.00178	1.3025	-.00166	.8346	-.00123	.6540	-.00172	.9459	-.00192	1.0755	-.00096	.5636	-.000066	.4273
Revenue	-.0409	.3184	-.1951	1.4732	-.0825	.6131	-.2268	1.4650	-.0572	.4291	-.1793	1.3137	-.1072	.7510	-.2203	1.3955
National	.1852	.3468	.3847	.9356	-.1398	.2739	.1320	.2307	.0921	.1752	.4598	.7726	-.2317	.4617	-.0126	.0224
Palucco	.7075	1.7115*	.6509	1.5220	.7515	1.9335**	.8098	2.0672**	.5404	1.3511	.3526	.9026	.5883	1.5487	.5570	1.5332
Raccoco	-.3045	.3936	-.0101	.0141	-.0958	.1281	.1484	.2126	-.00866	.0100	.1593	.2209	.2042	.2762	.3267	.4763
Orgage	-.0186	1.2638	-.0178	.9645	-.0266	1.8851*	-.0306	1.7407*	-.0189	1.2954	-.0183	1.0115	-.0267	1.9129**	-.0289	1.7111*
Contextual Factors																
Devolution	.2007	1.0243	.2309	1.0184	.2824	1.4659	.3495	1.5652	.2502	1.2963	.2507	1.1432	.3200	1.6845*	.3689	1.7171*
Duplica	.00407	.02	-.1606	.7612	-.0301	.1575	-.1348	.6590	-.0499	.2648	-.1719	.8661	-.0790	.4227	-.1632	.8499
Complicere	.3228	1.7605	.3105	2.5194***	.3680	2.0015**	.5477	2.7639***	.3278	1.8531*	.4750	2.4939***	.3837	2.1557**	.5330	2.8648***
Funding Variables																
Contract																
State/alloo																
Fedmon																
Statemon																
Localmon																
Advocacy Variables																
Advocact									.1823	2.7052***	.1246	1.7206*	.1646	2.5419***	.1126	1.6863*
Visited	.7368	2.3920***	.6098	1.9092*	.7394	2.4808***	.6375	2.1586**								
Trachad	-.2965	1.0073	-.3598	1.2051	-.3211	1.1175	-.3572	1.2580								
Grassad	.3761	1.6454*	.3801	1.4424	.4633	1.3883	.3704	.9725								
Coalition/Alliance Behavior																
Coalition					.1538	.9953	.3107	1.8663*					.1434	.9605	.2745	1.7375
State collaboration	.8526	1.5523	1.1229	1.8259*					.7464	1.3906	.8489	1.4629				
National coll.	-.9877	1.6087*	-.8016	1.1742					-.10720	1.7804*	-.8054	1.2327				
Issue coll.	.9312	1.5995*	1.8271	2.7778***					.8672	1.5981	1.7447	2.7920***				
Purposive Material																
Solidary																
Separate	-.2692	.6909	-.1752	.4034	-.2325	.6351	-.0621	.1581	-.2323	.6385	-.1431	.3438	-.2050	.5912	-.0535	.1407
Programs																
# of Observations	122		122		121		121		121		121		120		120	
Pseudo R <sup>2</sup>	.2408		.2866		.2155		.2501		.2258		.2703		.1975		.2324	
-2 Log L	162.644		165.256		161.666		163.879		160.723		164.514		159.781		163.147	
Model Chi-Square	38.697		49.007		33.239		40.354		35.281		44.815		29.528		36.334	

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test



**Table D.4 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: STATEMON Models 1 – 8**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6		Unweighted Model 7		Weighted Model 8	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-4.0622	2.1367**	-3.6087	1.8389*	-3.8403	2.1159**	-3.6102	1.9789**	-3.8233	2.0491**	-3.7681	1.9396**	-3.8292	2.1413**	-4.0376	2.258**
Organizational Characteristics																
United Way	.2250	.5029	.4828	.6930	.3048	.6258	.4376	.6829	.1509	.2965	.2785	.3830	.2131	.4350	.3352	.5094
Board size	-.0215	1.0343	-.0357	1.2777	-.0251	1.1536	-.0340	1.2594	-.0219	1.1963	-.0349	1.5857	-.0228	1.2011	-.0301	1.4044
Stafffull	-.00530	1.7386*	-.00792	1.9866**	-.00439	1.5968	-.00748	1.7615	-.00474	1.8931*	-.00676	2.1794**	-.00396	1.68570	-.00619	1.8438*
Revenue	.2858	1.7072*	.2598	1.7191*	.2010	1.3424	.1798	1.3162	.2366	1.4855	.1815	1.2530	.1478	1.0158	.0919	.7118
National	-1.0959	1.9027*	-.9457	1.4513	-1.3145	2.4003***	-1.1866	2.0151**	-1.0944	1.8631*	-.9389	1.4395	-.3382	2.4148***	-1.2250	2.1002**
Educeo	.1305	.3097	.2773	.6592	.0676	.1712	.1308	.3404	.0866	.2093	.4045	1.0003	.0466	.1204	.2970	.8065
Raceceo	-.9918	1.2341	-1.0375	1.3325	-.8261	.8062	-.5746	.7990	-1.0813	1.3621	-1.1860	1.5592	-.6870	.9106	-.7434	1.0668
Orgage	.00514	.3964**	-.00672	.4319	-.00269	.2182	-.0161	1.0171	.00622	.4956	-.00381	.2491	-.00264	.2168	-.0168	1.0415
Contextual Factors																
Devolution	.5179	2.2594**	.4808	1.9721**	.5466	2.4925**	.4887	2.1029**	.4628	2.1333*	.4458	1.9190**	.5223	2.4797***	.4673	2.1252**
Duplica	.0417	.2119	-.0145	.0693	.0313	.1581	.0106	.05	-.0320	.1622	-.1478	.7188	-.0374	.1876	-.1042	.5105
Compliance	-.1942	1.0323	-.2295	1.1646	-.1065	.5912	-.0455	.2468	-.0984	.5386	-.1096	.5869	-.0216	.1221	.0769	.4373
Funding Variables																
Contract																
Statefedloc																
Fedmon																
Statemon																
Localmon																
Advocacy Variables																
Advocact									.1569	2.2024**	.2187	2.8189***	.1264	1.8617*	.1570	2.2793**
Visiad	.5056	1.6693	.3889	1.2265	.3894	1.1650	.1910	.6662								
Trackad	.1483	.4880	.5600	1.8733*	.0847	.2939	.4580	1.6499*								
Grassad	-.2965	.7223	-.5835	1.2238	.2236	.5828	-.5944	1.3876								
Coalition/Alliance Behavior																
Coalitlon					.0520	.3336	.0828	.5199					.0834	.5401		
State collaboration	1.4116	2.3841***	1.5728	2.5085***					1.3408	2.2995**	1.5356	2.4922***			.1185	.7572
National coll.	-1.5719	2.3804***	-2.0464	2.8524***					-1.5929	2.4426***	-2.1129	2.9713***				
Issue coll.	.1432	.2408	.4736	.7315					.3998	.7058	.7732	1.2425				
Purposive																
Material																
Solidary																
Separate	.7868	1.9408**	.8912	1.8623*	.8183	2.1849**	.9370	2.2400**	.7899	1.9995***	.7726	1.6738*	.8089	2.1977**	.8084	1.9897**
Programs																
# of Observations	122		122		121		121		121		121		120		120	
Pseudo R <sup>2</sup>	.2892		.3256		.3447		.2730		.2860		.3244		.2423		.2686	
-2Log L	164.376		169.644		163.343		168.099		162.539		168.967		161.523		167.432	
Model Chi-Square	49.617		58.897		39.205		45.443		48.462		58.107		38.377		44.060	

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test

**Table D.5 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: LOCALMON Models 1 – 8**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6		Unweighted Model 7		Weighted Model 8	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-4.7231	2.4284***	-3.3977	1.8638	-5.2640	2.8218***	-4.7572	2.5974**	-4.8766	2.5886***	-3.7210	1.9607**	-3.7693	2.4911***	-5.0432	2.7610***
Organizational Characteristics																
United Way	.2405	.4787	.2067	.3134	.2522	.5111	.2487	.3897	.3203	.6465	.3012	.4531	.2781	.5710	.3357	.5152
Board size	-.0257	.9951	-.0282	1.2090	-.0169	.7696	-.0180	.9056	-.0250	.9837	-.0343	1.3745	-.0178	.8431	-.0243	1.1452
StaffFull	-.00724	1.6523	-.00696	1.7521*	-.00654	1.5070	-.00623	1.5008	-.00757	1.5376	-.00686	1.5925	-.00627	1.4194	-.00598	1.4945
Revenue	.1629	1.1790	.1534	1.2515	.2130	1.4906	.1756	1.3720	.1160	.8098	.0980	.7697	.1736	1.2242	.1203	.9560
National	.0785	.1418	.4186	.6778	-.1905	.3603	-.0286	.0510	.1406	.2581	.4272	1.0142	-.1025	.1962	.0835	.1490
Educeo	.2722	.6776	.4189	1.0499	.5228	1.3444	.6346	1.6840*	.3490	.8789	.6012	1.5305	.5982	1.5390	.7955	2.1086**
Raceceo	-.9459	.9873	-.5222	.6129	-.5434	.6147	-.1845	.2354	-.8895	.9612	-.2974	.3674	-.6431	.7446	-.1315	.1738
Orgage	.0115	.9375	.00474	.3140	.00987	.8480	.000394	.0265	.0123	.9985	.00885	.5515	.00917	.7831	.00031	.02
Contextual Factors																
Devolution	.2830	1.2642	.1345	.5874	.3301	1.52	.2327	1.0666	.2431	1.1309	.0322	.1466	.2699	1.3013	.1485	.8052
Duplica	.0508	.2644	-.1926	.9593	.1058	.5530	-.0845	.43	.0388	.2010	-.2129	1.0488	.0932	.4791	-.1213	.6169
Compliance	.2016	1.0822	.2637	1.3213	.1075	.3804	.2107	1.0861	.2025	1.1200	.2363	1.2445	.1549	.8587	.2475	1.3296
Funding Variables																
Contract																
Statefedloc																
Fedmon																
Statemon																
Localmon																
Advocacy Variables																
Advocact									1012	1.5077	1576	2.1339**	.0831	1.2890	.1319	1.9343
Visitad	-.1657	.5308	-.2576	.7649	-.0717	.2398	-.1410	.4560								
Trackad	.2691	.9230	.3608	1.2570	.2927	1.0148	.3311	1.1778								
Grassad	.2126	.5276	.2164	.5188	-.1469	.3962	-.0909	.2390								
Coalition/Alliance Behavior																
Coalition					-.1473	.9089	.0499	.3150					.1611	.9925	.0388	.2439**
State collaboration	-.2719	.5086	.3661	.6085					.3310	.6114	.5410	.8769				
National coll.	-.8764	1.4468	-1.0495	1.6129*					.8696	1.4249	-1.2154	1.7748				
Issue coll.	1.1575	1.9858*	1.5077	2.3560***					1.0495	1.9215**	1.3819	2.2373**				
Purposive Material																
Solidary																
Separate Programs	.6450	1.6627*	.3347	.7716	.4857	1.3299	.2990	.7617	.4834	1.2777	-.00930	.0224	.3667	1.0226	.0813	.2076
# of Observations	122		122		121		121		121		121		120		120	
Pseudo R <sup>2</sup>	.1375		.8370		.1055		.1235		.1430		.1781		.1112		.1391	
-2Log L	136.100		138.073		135.553		137.242		135.533		137.881		134.960		137.047	
Model Chi-Square	19.447		23.751		14.272		17.056		20.185		26.214		15.013		19.383	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

t score calculated a  $\sqrt{\chi^2}$  of Wald Chi Square

**Table D.6 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: ADVOCAT Models 1 – 6**

	Unweighted		Weighted		Unweighted		Weighted		Unweighted		Weighted	
	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	B	t score	B	t score	b	t score	b	t score	b	t score	b	t score
Intercept	.174961	.073	-1.400642	-.587	-1.153594	-.473	-2.518054	-1.018	-.970103	-.394	-1.579026	-.634
<b>Organizational Characteristics</b>												
United Way	-.683054	-.952	-.646681	-.687	-.364398	-.511	-.435066	-.458	-.375471	-.504	-.478212	-.476
Board size	.045335	2.050**	.055324	2.814***	.049595	2.216**	.055613	2.787***	.031654	1.389	.035900	1.769*
StaffFull	.002684	1.597	.002836	1.995**	.002408	1.454	.002306	1.623*	.000746	.411	.000794	.513
Revenue	.357363	1.753*	.256245	1.414	.405383	2.014**	.319211	1.787*	.322101	1.522	.223030	1.199
National	-.012437	-.016	.528127	.647	-.176803	-.227	.321247	.393	-.155593	-.193	.457902	.548
Educen	-.395766	-.720	-.436988	-.860	-.177273	-.323	-.266685	-.517	-.109807	-.190	-.377200	-.705
Raceceo	-.187440	-.149	-.641238	-.566	-.224203	-.179	-.879888	-.775	-.184316	-.137	-.920350	-.753
Orgage	-.009181	-.505	-.016238	-.844	-.011208	-.623	-.013618	-.697	-.008968	-.478	-.008357	-.408
<b>Contextual Factors</b>												
Devolution	.226817	.813	.326301	1.166	.323276	1.122	.513919	1.731*	.331102	1.145	.443441	1.540
Duplica	.300016	1.081	.322475	1.159	.360835	1.293	.360381	1.255	.310535	1.085	.297260	1.030
Compliance	-.319646	-1.234	.135493	.509	-.352787	-1.380	.059004	.223	-.357044	-1.319	.054916	.199
<b>Funding Variables</b>												
Contract								2.077**				
Statefedloc					.028069	2.692***	.021566		2.467076	3.056***	2.103599	2.606***
Fedmon	1.711587	2.093**	.758229	.876								
Statemon	1.559626	1.789*	2.354544	2.685***								
Localmon	-.066946	-.074	.116623	.118								
<b>Advocacy Variables</b>												
Advocact												
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	-.704244	-.865	-1.685673	-2.037**	-.645859	-.792	-1.354283	-1.601	-.552260	-.673	-1.305768	-1.551
National coll.	1.459208	1.653*	2.037180	2.291**	1.323400	1.509	1.678821	1.896*	1.027866	1.123	1.477014	1.624*
Issue coll.	-.485031	-.591	-.215208	-.242	-.436121	-.536	-.082825	-.095	-.530209	-.612	-.217273	-.237
Seppgrugs	1.291790	2.427***	1.229249	2.221**	1.547024	2.984***	1.467769	2.657***	1.562335	2.905***	1.494972	2.626***
R square	.3539		.4021		.3436		.3777		.3298		.3560	
Adjusted R square	.2399		.2966		.2416		.2811		.2204		.2509	
df—degrees of freedom	120		120		119		119		114		114	
F	3.104		3.811		3.369		3.908		3.014		3.386	
Prob (F)	.0002		.0001		.0001		.0001		.0004		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.7 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: VISITAD Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-.209501	-.338	-.091694	-.145	-.179481	-.288	-.252267	-.398	.100980	.165	.007444	.012
<b>Organizational Characteristics</b>												
United Way	-.167283	-.899	-.178227	-.703	-.143050	-.790	-.149097	-.618	-.224649	-1.231	-.222584	-.929
Board size	.006343	1.106	.006556	1.269	.011561	2.020**	.012302	2.407**	.009962	1.763	.011823	2.345
StaffFull	.000453	.990	.000513	1.300	.000839	1.979**	.000874	2.399***	.000824	1.917	.000865	2.369*
Revenue	.049481	.930	.033335	.704	.077052	1.496	.064014	1.398	.069505	1.334	.064630	1.391
National	-.184283	-.919	-.222047	-1.048	-.206654	-1.049	-.262274	-1.258	-.151860	-.760	-.165684	-.793
Educeo	-.146903	-1.012	-.247855	-1.819*	-.178312	-1.270	-.232826	-1.760*	-.226758	-1.613*	-.260056	-1.992*
Raceceo	-.023089	-.068	-.274941	-.884	-.111804	-.348	-.343241	-1.179	-.134137	-.416	-.330972	-1.136
Orgage	-.004367	-.928	-.004022	-.773	-.004614	-1.004	-.005216	-1.042	-.003389	-.730	-.004990	-1.011
<b>Contextual Factors</b>												
Devolution	.079867	1.098	.138697	1.891*	.083750	1.138	.147362	1.936*	.071348	1.001	.111107	1.546
Duplica	.044036	.614	.013050	.178	.058129	.818	.031551	.430	.042112	.596	.005751	.081
Compliance	.009754	.143	.106809	1.522	.003471	.053	.101930	1.504	.017059	.258	.121139	1.772
<b>Funding Variables</b>												
Contract	.759852	3.745***	.625472	3.045***								
Statefedloc					.007767	2.949***	.006625	2.503***				
Fednon									.505660	2.435***	.446945	2.021*
Statemon									.448785	2.020*	.624359	2.778***
Localmon									-.321952	-1.403	-.472216	-1.868*
<b>Advocacy Variables</b>												
Advocact												
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	-.307204	-1.487	-.601193	-2.805***	-.293973	-1.410	-.607116	-2.802***	-.330128	-1.588	-.681824	-3.212***
National coll.	.197875	.862	.357014	1.544	.226140	1.012	.385988	1.703*	.242587	1.080	.442007	1.940*
Issue coll.	.024044	.111	.092971	.400	.070897	.342	.141679	.634	.095874	.459	.139418	.614
Purposive												
Material												
Solidary												
Separate Programs	.533758	3.956***	.492076	3.401***	.521393	3.942***	.482300	3.411***	.469197	3.456**	.423173	2.981***
R square	.3808		.3958		.3659		.4013		.3785		.4237	
Adj. R square	.2807		.2982		.2684		.3092		.2698		.3230	
df-degrees of freedom	115		115		120		120		121		121	
F	3.805		4.054		3.751		4.357		3.484		4.207	
Prob (F)	.0001		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test

**Table D.8 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: TRACKAD Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-.674372	-1.050	-.059189	-1.578	-.429016	-.674	-.905111	-1.342	-.389548	-.619	-.982152	-1.533
<b>Organizational Characteristics</b>												
United Way	-.125456	-.650	-.173733	-.647	-.177581	-.960	-.204418	-.796	-.184964	-.987	-.202895	-.808
Board size	.007950	1.337	.007430	1.358	.010181	1.743*	.010704	1.968**	.009748	1.679*	.010557	1.999**
StaffFull	.000457	.966	.000341	.815	.000648	1.497	.000527	1.360	.000712	1.613*	.000662	1.731*
Revenue	.009987	.181	-.019817	-.395	.023292	.443	-.000211	-.004	.013520	.253	-.022089	-.454
National	.035929	.173	.171303	.763	.054864	.273	.153771	.693	.095229	.464	.232055	1.061
Educeo	.186691	1.241	.162955	1.129	.130778	.913	.135329	.961	.127103	.880	.149890	1.096
Raceceo	-.219364	-.624	-.307067	-.931	-.309597	-.945	-.414349	-1.337	-.263133	-.794	-.266839	-.875
Orgage	-.003801	-.780	-.001996	-.362	-.003708	-.791	-.003219	-.605	-.003604	-.755	-.002827	-.547
<b>Contextual Factors</b>												
Devolution	.022653	.300	.057205	.736	.012159	.162	.047116	.582	.019443	.266	.039149	.520
Duplica	.057351	.771	.052752	.680	.053397	.736	.057054	.732	.041885	.577	.044193	.593
Compliereo	-.017126	-.243	.082517	1.110	-.015582	-.233	.087190	1.209	-.007117	-.105	.115859	1.618*
<b>Funding Variables</b>												
Contract	.425642	2.024**	.450808	2.071**								
Stateedloc					.004285	1.594	.003767	1.337				
Fedmon									.086615	.406	-.093993	-.406
Statemon									.304635	1.335	.642490	2.730***
Localmon									.026996	.115	-.021311	-.081
<b>Advocacy Variables</b>												
Advocact												
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	-.247792	-1.157	-.362995	-1.599	-.252206	-1.185	-.366279	-1.589	-.233313	-1.092	-.403997	-1.818*
National coll.	.220649	.927	.390856	1.595	.242471	1.063	.378295	1.569	.272772	1.183	.500250	2.097**
Issue coll.	.008832	.039	.020252	.082	-.018443	-.087	.059500	.250	-.015953	-.074	.069178	.291
Purposive												
Material												
Solidary												
<b>Separate Programs</b>	.232259	1.660*	.217745	1.420	.218957	1.622*	.211224	1.404	.162970	1.168	.130094	.875
R square	.1818		.2460		.1718		.2363		.1780		.2894	
Adj. R square	.0495		.1241		.0443		.1188		.0343		.1652	
df-degrees of freedom	115		115		120		120		121		121	
F	1.375		2.018		1.348		2.012		1.239		2.330	
Prob (F)	.1701		.0188		.1832		.0187		.2453		.0041	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.9 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: GRASSAD Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-.087732	-.193	-.037635	-.083	-.348398	-.719	-.287897	-.581	-.266691	-.567	-.281385	-.591
<b>Organizational Characteristics</b>												
United Way	.060019	.439	.081228	.447	.050379	.358	.061649	.327	.002572	.018	.023822	.128
Board size	.008042	1.909**	.009909	2.677***	.008404	1.889*	.009351	2.140**	.008634	1.990**	.010690	2.722***
Stafffull	.000147	.437	.000200	.707	.000615	1.865*	.000620	2.175**	.000591	1.791*	.000598	2.100**
Revenue	.036954	.945	.040188	1.184	.048591	1.213	.046313	1.294	.053132	1.329	.061318	1.694*
National	-.085067	-.577	.111405	.733	-.106150	-.693	.104278	.639	-.118682	-.774	.084619	.520
Educco	.003907	.037	-.048928	-.501	.064999	.596	.017870	.173	.032524	.301	.005875	.058
Raccco	.375830	1.508	.366051	1.641*	.376698	1.509	.364431	1.601	.354744	1.433	.327861	1.445
Orgago	-.000904	-.262	-.002650	-.711	-.003225	-.903	-.005838	-.1492	-.002150	-.603	-.005159	-.1341
<b>Contextual Factors</b>												
Devolution	.076919	1.439	.032746	.623	.069997	1.224	.024973	.420	.069998	1.279	.019909	.356
Duplica	.051761	.982	.098071	1.868*	.070207	1.271	.116291	2.029**	.064192	1.184	.119617	2.156**
Complere	-.124267	-2.484***	-.090801	-1.806*	-.099316	-1.951**	-.067453	-1.273	-.113731	-2.237**	-.093693	-1.759*
<b>Funding Variables</b>												
Contract	.181177	1.215	.055555	.377								
Statecolluc					.001680	.821	.000188	.091				
Fedmon									.344113	2.159**	.349005	2.026**
Statemon									-.080193	-.470	-.072169	-.412
Localmon									-.005559	-.032	-.081136	-.412
<b>Advocacy Variables</b>												
Advocat												
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	.011335	.075	-.070003	-.456	-.036288	-.224	-.101200	-.597	-.033640	-.211	-.136124	-.823
National coll.	.146921	.871	.231616	1.397	.198375	1.142	.249589	1.409	.213538	1.239	.260310	1.467
Issue coll.	-.517546	-3.245***	-.443029	-2.658***	-.473073	-2.935***	-.388355	-2.223**	-.502656	-3.133***	-.467004	-2.638***
Purposive												
Material												
Solidary												
<b>Separate Programs</b>	.026632	.269	-.025500	-.246	.055430	.539	.009833	.089	.063013	.605	.022353	.202
<b>R square</b>	.2213		.2335		.2009		.2178		.2348		.2515	
<b>Adj. R square</b>	.0954		.1096		.0780		.0975		.1010		.1207	
<b>df-degrees of freedom</b>	115		115		120		120		121		121	
<b>F</b>	1.758		1.885		1.634		1.810		1.756		1.923	
<b>Prob (F)</b>	.0480		.0306		.0726		.0392		.0413		.0216	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.10 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: COALITION Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-1.440743	-.939	-2.990081	-2.094**	-.895402	-.633	-2.343321	-1.851*	-1.070415	-.760	-2.406053	-1.792*
<b>Organizational Characteristics</b>												
United Way	.682956	2.010**	.606746	1.422	.651050	2.033**	.609672	1.541	.612265	1.868*	.511375	1.288
Board size	.010326	.740	.020790	1.672*	.012069	.894	.022845	1.911**	.012563	.942	.024851	2.129**
Staff/Full	-.0001370	-.172	.000141	.214	-.000119	-.160	.000215	.350	-.000150	-.198	.000262	.423
Revenue	.415565	4.637***	.393244	5.284***	.411513	4.862***	.397529	5.708***	.420172	4.874***	.411100	5.753***
National	.000340	.001	-.097680	-.277	.051825	.148	-.099978	-.295	.096700	.268	-.072528	-.212
Educo	.26225	1.038	.059219	.263	.213227	.894	.014057	.066	.208857	.852	-.065830	-.303
Racecen	-.699774	-1.128	-1.077831	-2.116**	-.787568	-1.371	-1.101559	-2.343**	-.770580	-1.337	-1.125359	-2.409***
Orgage	.000712	.082	-.007042	-.0772	-.000040830	-.005	-.006136	-.720	.001854	.224	-.004610	-.541
<b>Contextual Factors</b>												
Devolution	.083978	.646	.166299	1.290	.033075	.248	.111929	.840	.074591	.578	.126170	1.018
Duplica	.253770	1.926**	.247895	1.978**	.250661	1.967**	.268074	2.189**	.242644	1.897**	.237901	1.981**
Compfierce	-.320730	-2.611***	-.317322	-2.739***	-.316118	-2.760***	-.331490	-3.027***	-.313214	-2.670***	-.359833	-3.226***
<b>Funding Variables</b>												
Contract	.030617	.082	.050486	.148	.005766							
Statefedloc						1.256	.006676	1.561				
Fcdman									.400197	1.076	.665100	1.844**
Statemon									.318450	.834	.206372	.559
Localmon									-.431539	-1.105	-.087642	-.215
<b>Advocacy Variables</b>												
Advocact												
Visiad	.045163	.211	-.115914	-.600	.022364	.108	-.151783	-.793	-.043951	-.215	-.207091	-1.108
Trackad	.081437	.394	.109298	.586	.048501	.240	.098760	.546	.103822	.512	.130544	.707
Grassad	-.152256	-.603	.091091	.372	-.173680	-.741	.075405	.334	-.200891	-.845	.045707	.203
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration												
National coll.												
Issue coll.												
Purposive	.039190	.464	-.025082	-.304	.090759	1.103	.020961	.254	.071771	.868	.022585	.282
Material	.021408	.404	.049664	.912	-.006540	-.133	.024442	.484	.001203	.025	.022259	.446
Solidary	.046640	.560	.174734	2.310**	.022390	.281	.153773	2.083**	.028078	.354	.166184	2.308**
Separate Programs	.073449	.296	.402662	1.698*	.085394	.360	.378766	1.666*	.079653	.327	.364802	1.594
R square	.3514		.4586		.3576		.4666		.3739		.4930	
Adj. R square	.2145		.3444		.2292		.3599		.2340		.3797	
df-degrees of freedom	109		109		114		114		115		115	
F	2.566		4.013		2.784		4.373		2.673		4.352	
Prob (F)	.0015		.0001		.0006		.0001		.0006		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.11 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: STATECOLL Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-1.6134	.7267	-4.5893	1.9294**	-1.6234	.7229	-4.5049	1.7431*	-2.3267	1.0387	-5.3233	2.0729**
<b>Organizational Characteristics</b>												
United Way	.2258	.4532	.2298	.3262	.3505	.6539	.3675	.4359	.4611	.8557	.3029	.3395
Board size	-.00420	.1965	.0115	.5499	.00586	.2674	.0211	1.0237	.00350	.1606	.0263	1.2361
Staff/full	.00483	.6678	.00222	.6441	.00582	.7248	.00469	.7309	.00554	.6567	.00421	.7225
Revenue	.2818	1.5008	.2784	1.8199*	.3342	1.8446*	.3615	2.2250**	.3367	1.8203*	.4162	2.3383***
National	-.02578	.4303	-.6447	1.1492	-.5885	1.0309	-.7554	1.2066	-.3343	.5875	-.3916	.6319
Reduce	-.3467	.9621	-.5285	1.38	-.2823	.7459	-.8066	1.8257*	-.1907	.4904	-.6652	1.5504
Race/ethnic	-1.1502	1.3028	-1.7791	2.1438**	-1.7000	1.8824**	-2.6222	2.9442***	-1.6273	1.8400*	-2.5269	2.933***
Orgage	-.0208	1.6389*	-.0233	1.6167*	-.0229	1.6954*	-.0239	1.5336	-.0204	1.5239	-.0231	1.4934
<b>Contextual Factors</b>												
Devolution	.1026	.5271	.1187	.55	.0130	.0624	-.1285	.5067	.1460	.7191	.0823	.3618
Duplica	.2297	1.2718	.2895	1.4770	.3322	1.7482*	.4307	2.0177**	.3131	1.5675	.2611	1.2154
Complice	-.0390	.2244	.0251	.13266	-.0781	.4438	-.0368	.1929	.000219	.0000	-.0171	.0354
<b>Funding Variables</b>												
Contract	.9068	1.6733*	1.0029	1.7239*								
State/fed/loc					.0260	3.0276***	.0363	3.5259***				
Fed/national									.6894	1.1397	1.3172	1.8123*
State/national									1.7934	2.6592***	2.1654	2.8424***
Local/national									-1.3177	1.9526**	-1.2851	1.5150
<b>Advocacy Variables</b>												
Advocacy												
Visitat	-.3196	.9307	-.8296	2.4104***	-.3521	.9751	-1.1308	2.5138***	-.4146	1.1008	-1.2204	2.8347***
Trackad	-.3338	1.0448	-.0680	.2214	-.3761	1.1449	-.0819	.2102	-.3026	.9264	-.0675	.1339
Grassad	.5303	1.2437	.6022	1.256	.5106	1.1101	.8540	1.5052	.4718	1.04660	.8352	1.4348
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration												
National coll.												
Issue coll.												
Purposive	.0441	.3356	.1359	.9539	.1205	.8545	.3416	2.0190**	.0781	.5449	.2806	1.7361*
Material	-.0185	.2383	.0520	.5951	-.0903	1.0723	-.0163	.1712	-.0501	.5002	.0205	.2076
Solidary	.0191	.1503	-.0108	.0824	.0448	.3527	-.0302	.2109	.0191	.1493	-.0108	.0701
Separate	.7157	1.8740*	1.3201	3.0744***	.8240	2.0392**	1.4541	2.9392***	.6314	1.5504	1.2626	2.5598***
<b>Programs</b>												
# of Observations	111		111		116		116		117		117	
Pseudo R <sup>2</sup>	.2161		.2874		.2697		.3454		.2747		.3303	
-2 Log L	150.610		161.384		156.612		164.917		158.407		167.544	
Model Chi-Square	30.601		44.764		42.830		61.216		44.311		59.825	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test



**Table D.12 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: NATIONALCOL Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-2.3241	.8328	-2.4780	.8823	-.6809	.2385	-1.2954	.4645	-2.1238	.7225	-1.6289	.5732
<b>Organizational Characteristics</b>												
United Way	.4886	.8479	.3807	.5052	.3969	.7171	.3204	.4534	.4491	.8021	.2479	.3419
Board size	-.00581	.2214	.00557	.2128	-.0165	.5967	-.00240	.0911	-.00877	.3111	.00351	.1338
StaffFull	.00204	.1414	.0170	.5565	.00317	.1729	.0147	.5154	.00558	.2045	.0286	.9203
Revenue	.9666	3.058***	.8111	2.7622***	.9590	2.7971***	.7456	2.6417***	1.0061	2.7098***	.7425	2.6260***
National	1.0945	1.7651*	1.4241	2.1700**	1.2580	2.0739**	1.5756	2.4464***	1.2460	1.9409***	1.3422	1.9697**
Educeo	-.1603	.3712	-.4045	1.0488	-.3658	.8656	-.4827	1.2650	-.2278	.5228	-.4803	1.1837
Racecco	-4.1219	2.5663***	-5.0607	2.5010***	-3.9765	2.4538***	-5.0499	2.5626***	-4.0013	2.3761***	-5.1769	2.5318***
Orgage	.0147	1.0419	.00238	.1493	.0124	.8666	.00368	.2317	.0108	.7267	-.00234	.1411
<b>Contextual Factors</b>												
Devolution	-.0721	.3291	-.2094	.9044	-.1776	.7714	-.3186	1.2616	-.0634	.2798	-.1518	.6199
Duplica	.3136	1.4469	.0646	.2927	.2729	1.2748	.0748	.3401	.2857	1.2970	.0722	.3209
Compliance	-.4462	2.0842**	-.5842	2.6147***	-.3490	1.6857*	-.5350	2.4504	-.3281	1.5345	-.5404	2.3856***
<b>Funding Variables</b>												
Contract	-.1096	.1797	-.2258	.3686								
Statefodloc					-.00552	.6596	.000649	.0762				
Fedmon									-.5308	.7573	.3107	.4004
Statemon									-.3954	.5869	-.8873	1.1913
Localmon									-.2745	.3961	-.3203	.3829
<b>Advocacy Variables</b>												
Advocact												
Visitad	.3325	.9090	.2003	.5573	.4051	1.0775	.2668	.7198	.3474	.9235	.0803	.2112
Trackad	.0894	.2322	.2476	.68	.1397	.3561	.1941	.5347	.1807	.4383	.5066	1.1857
Grassad	-.1592	.3354	.1905	.3663	-.1192	.2377	.1147	.2207	-.1142	.22	.0479	.0911
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration												
National coll.												
Issue coll.												
Purposive	.2575	1.5910	.1435	.9033	.3248	1.8755*	.2392	1.3700	.2622	1.5803	.1546	.8841
Material	-.1006	.9535	.01190	.1118	-.1228	1.13	-.0227	.2138	-.0889	.8196	-.0149	.1353
Solidary	.00418	.0283	.1324	.8784	-.0694	.4567	.0540	.3556	-.0443	.2982	.1038	.6826
Separate	.0790	.1764	.0294	.0583	.0633	.1411	-.0104	.02	.1655	.3476	.2018	.3891
<b>Programs</b>												
# of Observations	111		111		116		116		117		117	
Pseudo R <sup>2</sup>	.3094		.3400		.3216		.3425		.3265		.3520	
-2 Log L	145.105		158.156		151.867		161.749		153.884		164.634	
Model Chi-Square	49.733		57.173		54.991		60.419		56.713		63.569	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.13 Logistic Regression Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: ISSUECOLL Models 1 – 6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-9.3514	3.0678***	-14.2423	3.6051***	-7.0921	2.8158***	-11.6119	3.3600***	-6.9738	2.7067***	-10.8688	3.0088***
<b>Organizational Characteristics</b>												
United Way	.3759	.6537	.3290	.3936	.4531	.8320	.05852	.7239	.3386	.5948	.1727	.1982
Board size	.0573	2.2369**	.0885	2.7487***	.0438	1.9091**	.0737	2.6236***	.0503	2.0938**	.0865	2.8132***
Stafffull	-.00032	.1670	.000064	.0316	.090586	.5309	.00107	.9264	.000714	.6339	.00124	.9740
Revenue	.3542	1.6570*	.5707	1.9865**	.4098	2.0693**	.6604	2.5409***	.4487	2.1109**	.6763	2.2051**
National	-.6481	1.0574	-1.0705	1.4369	-.5454	.9249	-.9445	1.2833	-.8213	1.2791	-1.3750	1.6489*
Edifice	1.3553	2.8308***	1.7334	3.15***	1.3226	3.0410***	1.7015	3.2686***	1.2308	2.7237***	1.3149	2.3928***
Racocco	.1680	.1568	.2283	.2339	-.0679	.0678	.0214	.0245	-.1077	.1063	-.3226	.3251
Orgage	-.00262	.1735	-.0200	.8802	-.0178	1.2135	-.0443	2.0515**	-.0201	1.2567	-.0417	1.7947*
<b>Contextual Factors</b>												
Devolution	.4930	1.8485*	.9650	2.2939**	.4646	1.7648*	.9190	2.2476**	.5006	1.8588*	1.0294	2.1835**
Duplica	.2712	1.2943	.5531	2.2211**	.2422	1.2047	.5092	2.1141**	.2638	1.2287	.5603	1.9880**
Complierco	-.4840	2.0780**	-.7906	2.8442***	-.2453	1.2588	-.5514	2.3373***	-.3362	1.6258*	-.7383	2.8095***
<b>Funding Variables</b>												
Contract	.7659	1.1472	.8935	1.1942								
Statefedloc					-.00069	.0906	.00045	.0539				
Fedmon									.4490	.7266	1.4647	1.8672*
Statemon									-.8705	1.3014	-1.5859	1.8268*
Localmon									.9053	1.4188	1.1013	1.3525
<b>Advocacy Variables</b>												
Advocact												
Visitat	.1337	.3324	.2915	.6820	.3845	1.0854	.5244	1.3785	.4193	1.1544	.5715	1.3641
Trackad	.3878	1.0976	.3475	.9442	.1635	.5078	.1576	.4665	.1920	.5668	.4094	1.0175
Grassad	-2.0625	3.1359***	-1.9061	2.6075***	-1.5170	2.9278***	-1.4569	2.5084***	-1.5859	2.9999***	-1.8155	2.7939
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration												
National coll.												
Issue coll.												
Purposive	-.0755	.4999	-.3052	1.4563	.0173	.1253	-.1588	.8120	-.0299	.2025	-.2287	1.0598
Material	.1096	1.1403	.1361	1.0450	.0235	.2804	.0252	.2161	.0229	.2604	-.0318	.2634
Solidary	-.0718	.4587	.12960	.6843	-.1361	.9548	.0516	.2948	-.0973	.6686	.1986	.9880
Separate Programs	.1604	.3722	.4219	.8262	.0386	.0964	.2999	.6318	.1214	.2737	.4322	.7542
<b># of Observations</b>	111		111		116		116		117		117	
<b>Pseudo R<sup>2</sup></b>	.2673		.3571		.2344		.3334		.2554		.3726	
<b>-2 Log L</b>	136.777		145.035		143.695		150.309		144.435		151.456	
<b>Model Chi-Square</b>	40.500		61.648		35.523		58.026		40.129		69.475	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.14 Multivariate Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: SEPPROGS Models 1 – 6 (continued on 6.15b)**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	.954454	2.256**	1.057885	2.585***	.946277	2.225***	1.033162	2.521***	.863276	2.069**	.943292	2.328**
<b>Organizational Characteristics</b>												
United Way	.169561	1.310	.149020	.892	.101288	.799	.068921	.431	.115015	.907	.075649	.469
Board size	-.003030	-.745	-.003404	-.971	-.004689	-1.151	-.005434	-1.565	-.003380	-.844	-.004824	-1.377
Staff/mil	.000667	2.133**	.000581	2.278**	.000610	2.053**	.000568	2.336**	.000740	2.499***	.000642	2.615***
Revenue	-.026467	-.710	-.031685	-1.009	-.031887	-.879	-.040034	-1.313	-.043499	-1.197	-.047125	-1.486
National	.389607	2.881**	.476272	3.558***	.416736	3.145***	.500979	3.795***	.441680	3.332***	.504704	3.786***
Educoo	.015963	.154	-.022679	-.242	.034019	.339	-.005498	-.061	.056048	.359	.007282	.079
Raccoo	.026350	.110	.129636	.617	.046212	.202	.127482	.643	.107012	.472	.155601	.781
Orgage	.002241	.682	.004851	1.427	.002207	.687	.004967	1.502	.001182	.367	.005010	1.517
<b>Contextual Factors</b>												
Devolution	.082730	1.632*	.058956	1.210	.079890	1.558	.059300	1.165	.051488	1.038	.045678	.942
Duplica	-.058555	-1.173	-.053599	-1.098	-.070221	-1.421	-.063717	-1.301	-.064427	-1.321	-.056778	-1.171
Compliance	-.020948	-.427	-.030074	-.626	-.020069	-.432	-.023241	-.505	-.010244	-.218	-.012134	-.253
<b>Funding Variables</b>												
Contract	-.204429	-1.367	-.166200	-1.180								
Statefodloc					-.002300	-1.213	-.001795	-1.000				
Fedmon									-.210678	-1.412	-.141106	-.913
Statemon									.207388	1.326	.142693	.899
Localmon									.156055	.974	.017041	.099
<b>Advocacy Variables</b>												
Advocact												
Visitad	.285219	3.622***	.246552	3.274***	.279205	3.604***	.245361	3.249***	.255952	3.298***	.227109	2.994***
Trackad	-.028691	-.352	-.012471	-.168	-.037017	-.458	-.028537	-.390	-.057760	-.719	-.050443	-.670
Grassad	-.074594	-.738	-.130338	-1.326	-.047386	-.507	-.087019	-.988	-.018167	-.192	-.054413	-.602
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	.288894	2.022**	.458991	3.301***	.315750	2.201**	.478003	3.399***	.247372	1.723*	.416940	2.913***
National coll.	.036213	.225	-.069975	-.452	.034242	.218	-.077264	-.507	.095393	.608	-.027534	-.176
Issue coll.	.032059	.200	.117115	.735	.025596	.169	.128861	.848	.023397	.153	.151722	.959
Purposive												
Material												
Solidary												
<b>Separate Programs</b>												
R square	.3770		.4234		.3880		.4412		.4086		.4480	
Adj. R square	.2614		.3164		.2800		.3426		.2915		.3387	
df-degrees of freedom	115		115		120		120		121		121	
F	3.261		3.957		3.592		4.474		3.489		4.099	
Prob (F)	.0001		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.15 : Multivariate Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: SEPPROGS Models 7 – 12 (continuation from 6.15a)**

	Unweighted Model 7		Weighted Model 8		Unweighted Model 9		Weighted Model 10		Unweighted Model 11		Weighted Model 12	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	1.043568	2.417***	1.196459	2.915***	1.060757	2.453***	1.197106	2.902***	.975715	2.306	1.117469	2.777***
<b>Organizational Characteristics</b>												
United Way	.137461	1.028	.110391	.641	.074643	.575	.038384	.234	.091138	.701	.048495	.294
Unit size	-.003857	-.934	-.004993	-1.427	-.005106	-1.231	-.006268	-1.782*	-.003663	-.901	-.005569	-1.581
Staff full	.000791	2.488***	.000684	2.660***	.000711	2.394***	.000645	2.689***	.000838	2.828***	.000699	2.870***
Revenue	-.033665	-.876	-.040504	-1.270	-.036426	-.978	-.044598	-1.439	-.045193	-1.216	-.046699	-1.477
National	.387519	2.775***	.416617	3.034***	.408735	3.006***	.439742	3.271***	.435607	3.208***	.457408	3.372***
Educo	-.027474	-.264	-.068037	-.741	-.016599	-.166	-.060694	-.683	.006360	.064	-.046533	-.523
Raceco	.007721	.032	.060200	.287	.020318	.089	.063724	.325	.094777	.416	.104227	.526
Orgage	.001879	.556	.004962	1.427	.002070	.631	.005223	1.564	.001112	.338	.005185	1.555
<b>Contextual Factors</b>												
Devolution	.090425	1.750*	.074120	1.500	.091581	1.759*	.074988	1.458	.063287	1.260	.059129	1.210
Duplica	-.073964	-1.441	-.082924	-1.690*	-.085857	-1.697*	-.090067	-1.833*	-.076493	-1.533	-.081237	-1.683*
Compliance	.009711	.197	.005733	.121	.004288	.091	.003871	.085	.010223	.217	.010943	.235
<b>Funding Variables</b>												
Contract	-.144092	-.951	-.121747	-.853								
Statefedloc					-.002102	-1.075	-.001382	-.758				
Fedmon									-.182285	-1.216	-.092573	-.611
Statemon									.248320	1.570	.173123	1.098
Localmon									.091533	.562	-.085395	-.496
<b>Advocacy Variables</b>												
Advocact	.050752	2.905***	.043989	2.626***	.051435	2.984***	.043706	2.657***	.042249	2.427**	.037530	2.221**
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	.250926	1.717*	.403606	2.875***	.299152	2.045**	.430051	3.038***	.222439	1.522	.370055	2.590***
National coll.	.019884	.120	-.087542	-.555	.000913	.006	-.096060	-.619	.072413	.448	-.047495	-.298
Issue coll.	.119649	.767	.225859	1.452	.108234	.730	.217782	1.458	.091497	.617	.229790	1.496
<b>Seppgrogs</b>												
Material												
Solidary												
<b>Separate Programs</b>												
R square	.3323		.3879		.3523		.4134		.3738		.4235	
Adj. R square	.2233		.2880		.2517		.3223		.2633		.3218	
df-degrees of freedom	114		114		119		119		120		120	
F	3.048		3.881		3.501		4.537		3.383		4.163	
Prob (F)	.0004		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.16 Multivariate Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: SEPPROGS Models 1 – 6 (continued on 6.16b)**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	1.034681	2.466***	1.087784	2.708***	.992707	2.363**	1.019504	2.562***	.904403	2.194**	.928240	2.356**
<b>Organizational Characteristics</b>												
United Way	.190273	1.406	.139248	.786	.129948	.981	.077892	.459	.141325	1.074	.076329	.451
Board size	-.002364	-.582	-.002346	-.662	-.003447	-.846	-.003298	-.945	-.002269	-.570	-.002600	-.749
Staff/mil	.000769	2.424***	.000740	2.800***	.000739	2.464***	.000790	3.189***	.000840	2.826***	.000837	3.368***
Revenue	-.013734	-.343	-.031689	-.898	-.018023	-.462	-.033640	-.981	-.031362	-.805	-.038130	-1.082
National	.395066	2.875***	.425243	3.073***	.414594	3.112***	.435306	3.220***	.462302	3.484***	.466895	3.426***
Reduce	.000450	.004	-.046776	-.499	.025366	.255	-.019427	-.216	.047424	.477	-.003642	-.040
Race/eco	-.016849	-.071	.100537	.473	-.013770	-.061	.069488	.347	.037769	.169	.093116	.467
Orgage	.001149	.340	.003164	.853	.000875	.265	.002818	.786	.000140	.042	.003076	.862
<b>Contextual Factors</b>												
Devolution	.099175	1.951*	.080469	1.620*	.093487	1.803*	.073881	1.414	.066436	1.338	.064498	1.308
Duplica	-.050268	-.965	-.044276	-.846	-.058336	-1.130	-.044889	-.857	-.056321	-1.112	-.045003	-.875
Compliance	-.024491	-.484	-.016116	-.325	-.023597	-.485	-.012766	-.263	-.010393	-.213	-.003604	-.073
<b>Funding Variables</b>												
Contract	-.160658	-1.067	-.085647	-.595								
State/fed/loc					-.001337	-.721	-.000205	-.114				
Fed/mo									-.202207	-1.344	-.073861	-.470
State/mo									.265334	1.753*	.229858	1.492
Local/mo									.113897	.711	-.037789	-.214
<b>Advocacy Variables</b>												
Advocacy												
Visited	.279990	3.496***	.212653	2.767***	.277977	3.529***	.215516	2.794***	.253306	3.245***	.198621	2.604***
Trackad	-.037624	-.454	-.021332	-.276	-.047532	-.576	-.036722	-.481	-.062107	-.761	-.055151	-.710
Grassad	-.057992	-.596	-.123212	-1.257	-.033313	-.364	-.079722	-.893	-.003527	-.039	-.053450	-.593
<b>Coalition/Alliance Behavior</b>												
Coalition	.008058	.189	.059298	1.421	.012191	.288	.057690	1.389	.013970	.334	.055364	1.337
State collaboration												
National coll.												
Issue coll.												
Purposive												
Material												
Solidary												
<b>Separate Programs</b>												
R square	.3424		.3616		.3512		.3796		.3811		.3976	
Adj. R square	.2351		.2547		.2504		.2832		.2719		.2913	
df-degrees of freedom	114		114		119		119		120		120	
F	3.190		3.470		3.485		3.938		3.489		3.740	
Prob (F)	.0002		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

**Table D.17 Multivariate Models Estimating the Effect of Funding on Organizational Behavior of Nonprofit Organizations**  
**Dependent Variable: SEPPROGS Models 7 – 12 (continuation from 6.16a)**

	Unweighted Model 7		Weighted Model 8		Unweighted Model 9		Weighted Model 10		Unweighted Model 11		Weighted Model 12	
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	1.064756	2.511***	1.126123	2.828***	1.047498	2.458***	1.094416	2.753***	.970920	2.325**	1.025829	2.632***
<b>Organizational Characteristics</b>												
United Way	.151021	1.087	.101053	.558	.101146	.749	.051555	.299	.115172	.857	.052330	.304
Board size	-.002847	-.690	-.003502	-.989	-.003602	-.871	-.003924	-1.116	-.002333	-.578	-.003171	-.909
Staff/Full	.000876	2.732***	.000811	3.060***	.000840	2.815***	.000840	3.443***	.000936	3.150***	.000870	3.521***
Revenue	-.024611	-.597	-.040866	-1.147	-.026110	-.653	-.039332	-1.137	-.035105	-.882	-.038278	-1.091
National	.386627	2.744***	.361236	2.561***	.394838	2.909***	.369877	2.733***	.445601	3.295***	.409969	2.998***
Educo	-.030657	-.300	-.067335	-.742	-.013837	-.140	-.053199	-.605	.007973	.081	-.039057	-.440
Raceco	-.018718	-.078	.053783	.254	-.018928	-.084	.030267	.153	.040868	.183	.059309	.301
Orgage	.000732	.211	.003084	.818	.000506	.151	.002899	.803	-.000073112	-.022	.003167	.881
<b>Contextual Factors</b>												
Devolution	.108120	2.097	.098601	1.989**	.108071	2.063**	.093063	1.794*	.079821	1.593	.080374	1.637*
Duplice	-.069689	-1.304	-.073416	-1.402	-.077198	-1.462	-.071607	-1.369	-.070487	-1.361	-.068057	-1.331
Compliance	.007669	.151	.014759	.303	.003435	.070	.011362	.237	.010491	.215	.015043	.312
<b>Funding Variables</b>												
Contract	-.100893	-.667	-.045369	-.315								
State/edloc					-.001214	-.638	-.000012344	-.007				
Fedmon									-.173406	-1.153	-.027847	-.182
Statemon									.287833	1.873*	.236921	1.538
Localmon									.068606	.422	-.110570	-.628
<b>Advocacy Variables</b>												
Advocact	.051224	2.884***	.039639	2.294**	.052453	2.992***	.040162	2.370***	.044291	2.531***	.033947	1.993**
Visitad												
Trackad												
Grassad												
<b>Coalition/Alliance Behavior</b>												
Coalition	.017314	.399	.061282	1.445	.020884	.487	.060186	1.435	.018055	.425	.035148	1.323
State collaboration												
National coll.												
Issue coll.												
Purposive												
Material												
Solidary												
<b>Separate Programs</b>												
R square	.3047		.3360		.3203		.3605		.3511		.3792	
Adj. R square	.2063		.2421		.2288		.2744		.2503		.2828	
df-degrees of freedom	113		113		118		118		119		119	
F	3.099		3.578		3.501		4.187		3.483		3.933	
Prob (F)	.0005		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test

**Table D.18 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations**  
**Dependent Variable: CONSULTG Models 1-6**

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	B	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-.493207	-.436	-.627677	-.525	.761097	.672	-.042178	.034	.745206	.667	.113992	.097
<b>Organizational Characteristics</b>												
United Way	.190075	.741	.254984	.734	.249473	.974	.313141	.917	.241830	.931	.323765	.961
Board size	-.000034728	-.003	.005457	.539	-.002707	-.254	.003918	.381	-.002050	-.193	.002053	.203
StaffFull	-.000378	-.655	-.000213	-.414	-.000176	-.304	-.000079280	-.152	-.000066612	-.113	-.000022618	-.043
Revenue	-.007278	-.108	-.019714	-.318	-.043546	-.634	-.053355	-.853	-.049610	-.710	-.079803	-1.242
National	.355464	1.299	.283295	.959	.497594	1.741*	.296815	.967	.510387	1.759*	.265278	.877
Educeo	.181010	.929	.061989	.315	-.006557	-.033	-.020711	-.103	-.019447	-.096	-.027600	-.140
Racecen	-.112965	-.246	-.126104	-.297	.108114	.236	.160653	.380	.138961	.304	.206170	.497
Orgage	.006482	1.040	.007834	1.103	.005077	.801	.006362	.884	.004970	.778	.005783	.820
<b>Contextual Factors</b>												
Devolution	-.175515	-1.697*	-.108965	-.972	-.250949	-2.309**	-.137839	-1.130	-.249748	-2.381***	-.135307	-1.222
Duplica	.021413	.226	.071284	.705	.007751	.078	.069898	.663	.001129	.011	.072184	.708
Compliance	.027853	.311	-.022752	-.239	.077616	.877	.021864	.232	.078386	.867	.022170	.229
<b>Funding Variables</b>												
Contract	.23323	.080	-.158393	-.545								
Statefedloc					.002295	.614	.000713	.186				
Fedmon									.072323	.245	-.327039	-1.042
Statemon									.226384	.725	-.157610	-.464
Localmon									.077437	.249	.691310	1.986**
<b>Advocacy Variables</b>												
Advocact												
Visitad	.348851	2.137**	.308741	1.856*	.367261	2.196**	.274291	1.585	.340029	2.019**	.351011	2.045**
Trackad	.507555	3.378***	.548090	3.682***	.431502	2.758***	.509458	3.330***	.431640	2.759***	.464839	2.985***
Grassad	.208313	1.079	.293698	1.446	.268728	1.421	.361249	1.835*	.275888	1.434	.381825	1.942**
Purposive	-.019447	-.315	.020041	.304	.040356	.623	.059077	.832	.043415	.673	.055654	.826
Material	.051130	1.318	.035969	.834	.023211	.607	.019207	.453	.022267	.588	.015023	.362
Solidary	.010279	.168	.015161	.247	-.026179	-.417	-.021447	-.337	-.022608	-.362	-.009867	-.159
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	.922354	3.454***	.924420	3.201***	.775494	2.718***	.779769	2.522***	.767999	2.667***	.882694	2.860***
National coll.	.049773	.161	-.083017	-.258	.102257	.327	.004599	.014	.157508	.496	-.008977	-.027
Issue coll.	.265409	.901	.336876	1.044	.368487	1.271	.411134	1.288	.351811	1.91	.393016	1.203
<b>Separate Programs</b>	.001580	-.008	.039746	.196	-.063912	-.338	.017732	.086	-.095875	-.500	.001865	.009
R square	.5176		.5431		.4729		.5147		.4773		.5374	
Adjusted R square	.3897		.4219		.3412		.3933		.3331		.4097	
df- degrees of freedom	105		105		110		110		111		111	
F	4.048		4.484		3.589		4.242		3.310		4.210	
Prob (F)	.0001		.0001		.0001		.0001		.0001		.0001	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

Table D.19 Multivariate Models Estimating the Effect of Funding on Advocacy Behavior of Nonprofit Organizations  
Dependent Variable: COMPOPO Models 1-6

	Unweighted Model 1		Weighted Model 2		Unweighted Model 3		Weighted Model 4		Unweighted Model 5		Weighted Model 6	
	b	t score	B	t score	b	t score	b	t score	b	t score	b	t score
Intercept	.437307	.318	-.026367	-.019	.923774	.723	.210125	.153	.949812	.763	.302573	.227
<b>Organizational Characteristics</b>												
United Way	.197080	.647	.076904	.195	.012928	.046	-.027346	-.074	.013426	.047	-.000807	-.002
Board size	.007523	.612	.008303	.718	.005718	.488	.007209	.640	.006327	.551	.006434	.578
StaffFull	-.000456	-.675	-.000424	-.730	-.000407	-.650	-.000445	-.800	-.00325	-.514	-.000356	-.634
Revenue	.037984	.482	.077356	1.112	.018690	.252	.051158	.766	.012849	.173	.028836	.419
National	-.042427	-.131	-.250932	-.731	.066157	.210	-.212427	-.624	.007835	.025	-.287604	-.856
Educeo	-.198280	-.815	-.265767	-1.108	-.325765	-1.415	-.321843	-1.390	-.339219	-1.468	-.329796	-1.436
Raceceo	-.359418	-.667	-.581826	-1.210	-.257813	-.519	-.379448	-.838	-.195829	-.399	-.341311	-.764
Orgage	.006479	.825	.008015	.897	.008085	1.096	.008289	.968	.007227	.980	.007043	.837
<b>Contextual Factors</b>												
Devolution	-.186401	-1.528	-.114459	-.895	-.247038	-2.083**	-.116106	-.874	-.242848	-2.151**	-.132594	-1.100
Duplica	-.037885	-.339	.017300	.152	-.060808	-.564	-.002000	-.018	-.078100	-.734	.011670	.107
Compliance	.149511	1.389	.112058	1.010	.137029	1.395	.129043	1.244	.118164	1.192	.124432	1.162
<b>Funding Variables</b>												
Contract	-.222211	-.649	-.193267	-.588								
Statefedlo					.000968	.238	-.002128	-.514				
Fedmon									-.070262	-.222	-.349535	-1.037
Statemon									-.233764	-.695	-.246680	-.669
Localmon									.609508	1.827*	.716970	1.923**
<b>Advocacy Variables</b>												
Advocact												
Visitad	.255384	1.338	.070809	.378	.170670	.941	.036940	.199	.206171	1.146	.105018	.570
Trackad	.302406	1.719*	.312662	1.866*	.263240	1.552	.295212	1.803*	.258303	1.544	.253270	1.513
Grassad	.253536	1.124	.408576	1.791*	.331861	1.623*	.450294	2.144**	.348257	1.698*	.474632	2.254**
Purposive	.128835	1.747*	.076291	.998	.158028	2.212**	.086142	1.097	.151433	2.146**	.094270	1.257
Material	-.019992	-.440	-.008830	-.182	-.020216	-.488	-.004637	-.102	-.022903	-.566	-.014082	-.316
Solidary	-.017202	-.239	.028476	.410	-.031001	-.455	.009645	.141	-.013172	-.197	.018161	.271
<b>Coalition/Alliance Behavior</b>												
Coalition												
State collaboration	.411321	1.318	.353560	1.091	.365793	1.185	.348678	1.056	.506644	1.649*	.402219	1.216
National coll.	-.037895	-.102	-.039585	-.103	-.039709	-.113	-.017346	-.047	-.023482	-.067*	-.012304	-.032
Issue coll.	-.111213	-.322	-.412378	-1.124	-.145159	-.459	-.403225	-1.161	-.207253	-.655	-.430790	-1.214
<b>Separate Programs</b>	.2735	1.250	.496226	2.164**	.298541	1.447	.488628	2.209**	.276621	1.337	.485014	2.219**
R square	.3357		.3784		.3421		.3760		.3665		.4010	
Adjusted R square	.1553		.2096		.1739		.2164		.1876		.2319	
df-- degrees of freedom	103		103		108		108		109		109	
F	1.861		2.241		2.033		2.356		2.049		2.371	
Prob (F)	.0237		.0048		.0109		.0027		.0087		.0020	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test



**Table D.20 Estimating Reciprocal Relationships**  
**Dependent Variable: STATEMON-STATECOL**

	Statemon		Statecol		Statemon		Statecol	
	b	t score	b	t score	b	t score	b	t score
Intercept	-5.4060	1.5289	-6.0708	2.22968**	-3.6307	1.7803*	-6.8848	2.4337***
STMON:HAT			5.8699	2.7548***				
STCOL:HAT					1.6584	.9169		
Organizational Characteristics								
United Way	.6442	.6429	.1323	.1682	.4551	.6291	.5129	.6555
Board size	-.0688	1.2108	.0265	1.3082	-.0323	.9713	.0520	2.1117***
Staff/Hall	-.00777	.9885	.00870	1.2748	-.00918	1.9533**	.00508	9.116
Revenue	.4226	1.7092*	.3514	2.0027	.2757	1.6138*	.4197	2.3219***
National	-2.8117	2.5508***	.2450	.3513	-.6419	.8819	-2.2495	2.7507***
Educen	.2923	.4496	-.5993	1.4538	.2963	.6769	-.5106	.9847
Racecen	-.7110	.5931	-2.5548	2.7666***	-.7971	.9519	-1.7589	1.8274*
Orgage	-.0307	1.5168	-.0121	.7831	-.0153	.7964	-.0536	2.4572***
Contextual Factors								
Devolution	.7767	1.7984	-.2221	.8558	.4574	1.7207*	.1913	.7479
Duplica	.5355	1.6301*	.3062	1.4667	-.0145	.0608	.4632	1.9371**
Compliance	-.6833	2.1789**	.0225	.1072	-.2323	1.1059	.1089	.4678
Funding Variables								
Contract								
Statefedloc								
Fedmon	1.1773	1.4575	1.1241	1.4859			1.7827	2.3425***
Statemon								
Localmon	3.8266	3.5808***	-2.7854	2.3019**			-.2097	.27
Advocacy Variables								
Advocact								
Visited	.8413	1.7462*	-1.4650	3.0370***	.4096	1.1654	-.9971	2.4512***
Trackad	.8313	1.9928**	-.3812	.9519	.7693	2.3702***	-.0478	.1315
Grassad	-1.4059	1.5620	1.2077	1.689*	-.9159	1.7539*	.2035	.3783
Coalition/Alliance								
Behavior								
Coalition								
State collaboration								
National coll.	-1.2776	1.4956			-1.8966	2.0436**	2.9444	3.4266***
Issue coll.	-1.6730	1.5958			.1273	.1929	-1.7717	2.2031**
Purposive	-.5854	2.2477***	.4537	2.376***			.00619	.03872
Material	.0431	.3009	.0258	.2655			.0542	.5349
Solidary	.3544	1.4594	-.1137	.7630			.0935	.6216
Separate Programs	2.0280	2.9280***	.8790	1.7617*	.9090	1.5861	1.7075	3.1569***
R square								
Adjusted R square								
df--degrees of freedom								
F								
Prob (F)								
N of Observations	117		117		117		117	
Pseudo R <sup>2</sup>	.4329		.3487				.3696	
-2LOG L	165.136		167.544		165.136		167.544	
DF	89.319		60.476		53.952		68.604	

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

Table D.21 Estimating Reciprocal Relationships  
Dependent Variable: STATEMON-NATCOL

	Statement			Natcol			Statement			Natcol		
	b	t score	b	t score	b	t score	b	t score	b	t score	b	t score
Intercept	-4.9406	1.3491	-1.8278	.6403	.7121	.2823	-0.0585	.0578				
STATEMON			.4021	.2559								
NATCOL												
Organizational												
Characteristics												
United Way	.2483	.2726	.2415	.3379	-.0388	.0479	.0494	.0624				
Board size	-.0668	1.2872	.00408	.4787	-.0183	.6006	-.0186	.5404				
Staff/fin	-.00716	1.0192	.0217	.6661	-.0125	2.1946**	.0176	.4658				
Revenue	.1907	.9444	.7448	2.5846***	.8215	2.3858***	.5980	1.6925*				
National	-2.0881	1.9939**	1.6737	2.2575**	2.0966	2.0593**	2.0962	2.8082***				
Ethnic	.2603	.4102	-.4365	1.0978	.2234	.4146	-.5430	1.1413				
Race/eco	.0262	.02	-5.0838	2.511***	-4.8006	3.0852***	-4.6789	1.9841**				
Organ	-.0201	.9134	.00463	.2738	.0121	.6287	.0234	1.2956				
Contextual Factors												
Devolution	.5553	1.6119*	-.2442	.9637	.2950	1.1007	-.3128	1.1272				
Duplica	.3574	1.0579	.0766	1.208	-.0868	.3690	-.1891	.6746				
Compliance	-.4476	1.4930	-.5706	2.2974**	-.8606	2.7499***	-.4664	1.7721				
Funding Variables												
Contract												
State/ed/eco												
Fed/fin	.8202	1.0193	.2003	.2611			-.3821	.4235				
State/mon												
Local/mon	3.8531	3.5936***	-.6923	.7032			-.7766	.770				
Advocacy Variables												
Advocat	1.0590	2.0618**	.0636	.1649	1.0227	2.3817***	.1161	.2565				
Track/ad	.7904	1.9353**	.3012	.6945	1.2551	3.0381**	.4956	1.0364				
Grass/ad	-1.4659	1.6846*	.2092	.3855	-.7529	1.1777	.5959	.8696				
Coalition/Alliance												
Behavior												
Coalition												
State collaboration	1.3419	1.6789*			6.4714	3.8278***	2.1562	2.9203***				
National coll.												
Issue coll.	-1.9381	1.7935*			1.9236	2.1472**	2.0243	2.4305***				
Purposive	-.6396	2.4303***	.2169	1.1891			.2551	1.2882				
Material	.0653	.4665	-.0167	.1536			-.0757	.5527				
Solidary	.3671	1.6019*	.0768	.4871			.0550	.3087				
Separate Programs	1.4064	2.0362**	-.0228	.0412	.6069	1.1676	-.3987	.6672				
R square												
Adjusted R square												
df--degrees of freedom												
F												
Prob (F)												
N of Observations	117		117		117		117					
Pseudo R <sup>2</sup>	.3525		.3470		.4043		.4017					
-21.0651	165.136		164.634		165.136		164.634					
DIF	89.885		62.174		79.417		78.547					

\*\*\* Prob < 0.01, two-tailed test  
\*\* Prob < 0.05, two-tailed test  
\* Prob < 0.10, two-tailed test

**Table D.22 Estimating Reciprocal Relationships**  
**Dependent Variable: STATEMON-SEPPROGS**

	Statemon		Sepprogs		Statemon		Sepprogs	
	b	t score	b	t score	b	t score	b	t score
Intercept	-2.3270	.7338	1.833094	3.141***	-3.4633	1.1303	1.379074	2.756***
STMONIAT			-.938918	-1.794*				
SEPPRIAT					.3958	.1746		
<b>Organizational Characteristics</b>								
United Way	.1284	.1411	.102677	.608	.3692	.5149	.092467	.542
Board size	-.0527	1.1384	-.006167	-1.191	-.0176	.6430	-.004266	-.832
StaffFull	-.00415	.7321	.000336	1.194	-.00733	1.6855*	.000546	2.111**
Revenue	.2796	.9458	-.032041	-.953	.2330	1.1946	-.047806	-1.456
National	-.7502	1.0412	.370795	2.515***	-.3867	.3132	.443690	3.095***
Educoo	.1963	.3341	-.000729	-.008	.3293	.7736	-.002911	-.030
Racecoo	-.4612	.4207	.192523	.909	-.6617	.7776	.220173	1.030
Orgage	-.0192	.8709	.002383	.668	-.0125	.6281	.003725	1.055
<b>Contextual Factors</b>								
Devolution	.5478	1.6725*	.136832	2.227**	.4396	1.6476*	.079321	1.496
Duplica	.2293	.7767	-.064194	1.252	-.0540	.2133	-.058264	-1.126
Compliance	-.4683	1.6736*	-.062073	-1.096	-.1776	.8502	-.010343	-.210
<b>Funding Variables</b>								
Contract								
Statefedloc								
Fedmon	.3952	.4923	-.085736	-.536			-.122356	-.762
Statemon								
Localmon	3.3440	3.649***	.487575	1.732*			.072357	.446
<b>Advocacy Variables</b>								
Advocact								
Visited	1.1549	2.4212***	.348288	3.594***	.4999	.8587	.245613	3.105***
Trackad	.7307	1.7431*	.048178	.519	.7214	2.2370	-.041932	-.530
Grassad	-1.3193	1.6464*	-.220943	-1.939**	-.7784	1.4177	-.118695	-1.189
<b>Coalition/Alliance Behavior</b>								
Coalition								
State collaboration	2.5136	2.9896***	.762826	3.541***	1.9498	1.6159*	.470526	3.299***
National coll.	-1.5669	1.7959*	-.245065	-1.285	-1.8665	2.5908***	-.051023	-.321
Issue coll.	-1.5834	1.5232	.031321	.178	.0274	.04	.148600	.901
Purposive	-.4605	2.0943**	-.020522	-.506			.019793	.580
Material	.0268	.2071	.029539	1.389			-.025706	-1.201
Solidary	.2353	1.0272	.011987	.327			-.025344	-.831
<b>Separate Programs</b>								
R square			.4757				.4575	
Adjusted R square			.3460				.3305	
df—degrees of freedom			116				116	
F			3.668				3.603	
Prob (F)			.0001				.0001	
<b># of Observations</b>	117				117			
Pseudo R <sup>2</sup>	.4311				.3316			
-21.OG L	165.136				165.136			
11F	88.677				58.036			

\*\*\* Prob < 0.01, two-tailed test  
 \*\* Prob < 0.05, two-tailed test  
 \* Prob < 0.10, two-tailed test

**Table D.23 Estimating Reciprocal Relationships**  
**Dependent Variable: STATEMON-ADVOACT**

	Statement		Advocat		Statement		Advocat	
	b	t score	b	t score	b	t score	b	t score
Intercept	-4.4808	1.5217	.304844	.091	-4.3282	2.0704**	-.147573	-.043
STMONIAT			6.780949	2.198**				
ADVOIAT					.7980	2.8324**		
Organizational Characteristics								
United Way	.0248	.03	-.463456	-.468	.8740	1.1248	-.716564	-.715
Board size	-.0327	.8361	.073919	2.610***	-.0729	2.0618**	.082024	2.864***
Stafffull	-.00413	.9535	.003683	2.406***	-.00902	2.5431***	.002708	1.812*
Revenue	.02854	1.2931	.143748	.745	.0934	.5559	.270711	1.441
National	-1.5801	1.9249**	.861707	.918	-1.1621	1.6853*	-.013370	-.015
Educco	.1278	.2649	-.600739	-1.119	.8645	1.7896*	-.702787	-1.289
Raccoco	-1.7687	1.7916*	-.145946	-.114	-.5975	.7362	-1.291374	-1.078
Orgage	-.0198	1.0935	-.006679	-.325	.000662	.04	-.017547	-.861
Contextual Factors								
Devolution	.6574	2.2035**	.089101	.232	.2143	.8171	.615174	2.012**
Duplica	.0454	.1782	.315258	1.070	-.2445	1.1156	.232485	.780
Compliance	-.3884	1.5687	.250245	.834	-.2194	1.1208	.003987	.014
Funding Variables								
Contract								
Statefedloc								
Fedmon	.4368	.6541	.660802	.733			1.082692	1.205
Statemon								
Localmon	3.3275	3.7109***	-1.897671	-1.116			1.256637	1.351
Advocacy Variables								
Advocact								
Visitad								
Trackad								
Grassad								
Coalition/Alliance								
Behavior								
Coalition								
State collaboration	1.1297	1.5773	-2.680061	-2.541***	2.2898	3.1535***	-1.260168	-1.482
National coll.	-1.4475	1.8674*	2.559072	2.454	-3.0363	3.2938***	1.385486	1.517
Issue coll.	-.3216	.4001	.420079	.446	.3225	.5058	-.044698	-.048
Purposive	.2816	1.5007	.571929	2.477***			.295073	1.495
Material	.0419	.3760	-.109645	-.915			-.083340	-.685
Solitary	.2287	1.3623	-.446960	-2.055**			-.163007	-.914
Separate Programs	1.3806	2.5416***	.360112	.5962	.1558	.2898	1.195885	2.092**
R square			.4248				.3952	
Adjusted R square			.2962				.2679	
df—degrees of freedom			115				115	
F			3.305				3.104	
Prob (F)			.0001				.0001	
# of Observations	117				117			
Pseudo R <sup>2</sup>	.3964				.3278			
-2*LOG L	165.136				165.136			
DF	76.834				57.066			

\*\*\* Prob < 0.01, two-tailed test

\*\* Prob < 0.05, two-tailed test

\* Prob < 0.10, two-tailed test

Table D.24 Estimating Reciprocal Relationships  
Dependent Variable: FEDMON-GRASSAD

	FEDMON			GRASSAD			FEDMON			GRASSAD		
	b	t score		b	t score		b	t score		b	t score	
Intercept	-5.9373	1.8443		1.063533	1.759		-4.0641	2.0289**		1.172933		1.966**
FEDMON/AT				1.579869	4.103***							
GRASSAD/AT												
Organizational												
Characteristics												
United Way	1.6465	1.9007		-1.77499	-.973		1.2818	1.8071*		.078011		.450
Board size	-.0804	1.6905		.013703	2.562***		-.0617	1.6880*		-.000310		-.099
Staff/Full	.00022	.0964		.000380	1.422		-.00175	.8238		.000065001		.237
Revenue	-.3763	2.2007		.114235	3.080***		-.1806	1.2995		.038675		1.188
National	.9897	1.2564		-.026114	-.167		.9450	1.4426		.081716		.530
Educato	.7284	1.3005		-.068509	-.696		.7117	1.6348*		.048537		.489
Racisco	.8479	.8721		.230123	1.051		.5424	.5949		.533832		2.515***
Orange	-.0378	1.5299		-.004661	-.1258		-.0263	1.2895		-.006714		-1.879*
Contextual Factors												
Devolution	.4064	1.2538		.017985	.317		.2182	.9509		.025607		.460
Duplica	-.1006	.4007		.115125	2.175**		-.0834	.3421		.101913		1.952**
Complice	.5172	2.1201		-.151606	-2.617***		.4538	2.0526**		-.068917		-1.398
Funding Variables												
Contract												
State/fedloc												
FEDMON												
State/mon	.2031	.2551		-.116432	-.693					-.281705		-1.624*
Local/mon	2.8612	3.3734		-.598492	-2.644***					.082849		.487
Advocacy Variables												
Advocat												
Visiad	.9997	2.5900					.8065	2.1001**		.227629		2.815***
Trackad	-.7092	1.7914					-.1956	.5030		.149675		1.874*
Grassad												
Coalition/Alliance												
Behavior												
Coalition												
State collaboration	1.1990	1.5206		-.300631	-.838*		1.2351	1.9701**		.153103		.970
National coll.	.00412	.0000		.31999	1.937**		-.6110	.8646		.109635		.661
Issue coll.	1.3057	1.5975		-.676298	-3.738***		1.3133	1.5456		-.433279		-.693***
Purposive	-.0820	.4573		.041966	1.168					.001613		.051
Matricial	.1174	1.0626		-.066004	-3.013***					-.052105		-2.453***
Solidary	-.1331	.8019		-.008769	-.268					-.012948		-.404
Separate Programs	-.3895	.7397		.001872	.018		-.3511	.7638		-.117866		-1.122
R square				.3978						.4244		
Adjusted R square				.2647						.2897		
df—degrees of freedom				116						116		
F				2.989						3.151		
Prob (F)				.0002						.0001		
# of Observations	117						117					
Pseudo R <sup>2</sup>	.3862											
-2LL OGL	161.103						161.103					
DF	73.602						47.679					

\*\*\* Prob < 0.01, two-tailed test  
\*\* Prob < 0.05, two-tailed test  
\* Prob < 0.10, two-tailed test

Table D.25 Estimating Reciprocal Relationships  
Dependent Variable: STATFEDLOC-VISITAD

	StatFedLoc			Visitad			StateFedLoc			Visitad		
	b	t score		b	t score		b	t score		b	t score	
Intercept	-19.163413	-5.90		1.831018	2.170		18.059314	.705		-273660	-374	
STATFEDLOC				.084948	5.859***							
Organizational Characteristics							6.822184	-.325				
United Way	-.499292	-.055		-.022858	-.103		.591635	.063		-.077125	-.367	
Board size	-.308789	-1.155		.038001	5.441***		-.295393	-.880		.010481	1.712*	
Staff/roll	-.017497	-1.275		.002126	5.461***		-.017798	-1.057		.000510	1.587	
Revenue	-.950328	-.562		.130040	3.243***		-.632396	-.354		.035153	.981	
National	7.464534	.953		-.936180	-4.215***		4.159694	.368		-.329307	-1.811*	
Educco	1.773775	.351		-.501602	-3.975***		-3.544415	-.427		-.339692	-2.951***	
Raccoco	1.653935	.145		-.312946	-1.241		-1.596355	-.130		-.379274	-1.510	
Orgage	-.073116	-.384		.001135	.244		-1.31754	-.638		-.002233	-.511	
Contextual Factors												
Devolution	8.309239	2.830***		-.571173	-3.902***		9.462534	2.174**		.119617	1.849*	
Duplica	-5.704361	-2.063**		.434171	4.233***		-6.705039	-2.116**		-.085949	-1.370	
Complicco	3.521950	1.391		-.234919	-2.775***		4.409308	1.354		.079084	1.347	
Funding Variables												
Contract												
Statfedloc												
Fedmon												
Statemon												
Localmon												
Advocacy Variables												
Advocact												
Visitad												
Tracked	6.018194	1.649*					-.833636	.947		.450013	5.282***	
Grassad	-.932566	-.181					-1.605459	-.213		.317714	2.637***	
Coalition/Alliance Behavior												
Coalition												
State collaboration	26.698302	3.446***		-2.340228	-6.516***		25.015464	2.643***		-.286018	-1.839*	
National coll.	-8.317724	-.980		.852508	3.945***		-10.405269	-1.177		.050335	.268	
Issue coll.	4.251845	.500		-.147844	-.835		8.020786	.724		.337554	2.131**	
Purposive	-4.302779	-2.286**		.419500	5.462***					.043305	1.036	
Material	1.969333	1.730*		-.175819	-4.283***					.012937	.485	
Solidary	1.885640	1.121		-.158706	-3.331***					.012042	.315	
Separate Programs	-.486878	-.093		.372847	2.989***		.155235	.017		.360842	3.009***	
R square	.3942			.3493			.3556			.5947		
Adjusted R square	.2666			.4628			.2360			.5120		
df--degrees of freedom	115			118			115			118		
F	3.090			6.350			2.973			7.190		
Prob (F)	.0001			.0001			.0003			.0001		
# of Observations												
Pseudo R <sup>2</sup>												
-21.06 L												
DF												

\*\*\* Prob < 0.01, two-tailed test  
\*\* Prob < 0.05, two-tailed test  
\* Prob < 0.10, two-tailed test

Table D.26 Estimating Reciprocal Relationships  
Dependent Variable: CONTRACT-ADVOCAT

	Contract		Advocat		Contract		Advocat	
	b	t score	b	t score	b	t score	b	t score
Intercept	-.8118	.3015	-1.141112	-.351	-1.0267	.4770	-1.114479	-.335
CONHAT			4.625884	2.447***				
ADVOHAT					-.3321	.5646		
Organizational Characteristics								
United Way	-.2682	.3513	-.813712	-.828	-.4183	.5009	-.437929	-.440
Board size	.0604	2.0229**	.040273	1.303	.0873	1.711*	.075521	2.693***
Stafffull	.1396	2.6691***	.000626	.394	.1410	2.6718***	.002215	1.494
Revenue	.0194	.0927	.089398	.493	.1246	.4602	.283885	1.698
National	-.0317	.0489	.266927	.319	-.0514	.0787	.151519	.177
Educeo	-.5671	1.3107	-.167024	-.312	-.6687	1.3247	-.438627	-.816
Raceceo	-1.9574	2.1607**	-.042199	-.034	-2.3469	1.8547	-1.428653	-1.270
Orgage	-.0304	1.6403*	-.005163	-.249	-.0396	1.7708	-.021437	-1.064
Contextual Factors								
Devolution	.4254	1.8228*	.377436	1.166	.6758	1.3665	.715214	2.383***
Duplica	-.3246	1.4798	.403123	1.382	-.2180	.8492	.236732	.814
Complicro	.2036	1.0279	-.028736	-.103*	.2801	1.3613	.166174	.609
Funding Variables								
Contract								
Statefedloc								
Fedmon								
Statemon								
Localmon								
Advocacy Variables								
Advocact								
Visited								
Trackad								
Grassad								
Coalition/Alliance								
Behavior								
Coalition								
State collaboration	.9253	1.4840	-1.705359	-2.344***	.5201	.5038	-1.213213	-1.693*
National coll.	-.3041	.4623	1.736665	1.969**	.1256	.1323	1.130756	1.303
Issue coll.	1.0595	1.4637	-.358832	-.477	1.1615	1.601*	.279382	.386
Purposive	-.0283	.1884	.174653	.908			.227780	1.163
Material	-.0166	.1828	-.01661	-.140			-.033489	-.276
Solidary	.1226	.8904	-.289075	-1.614*			-.194305	-1.084
Separate Programs	-.6238	1.2629	1.314174	2.413***	-.1751	.1965	1.293088	2.317**
R square			.4056				.3693	
Adjusted R square			.2903				.2546	
df—degrees of freedom			117				117	
F			3.519				3.220	
Prob (F)			.0001				.0001	
# of Observations	111				111			
Pseudo R <sup>2</sup>	.3348				.3326			
-2LL/OG L	158.765				158.765			
HW	55.878				55.314			

\*\*\* Prob < 0.01, two-tailed test  
\*\* Prob < 0.05, two-tailed test  
\* Prob < 0.10, two-tailed test

## VITA

Melissa Scott Flournoy graduated cum laude with a B.A. in History from Hollins College in Roanoke, Virginia in 1983. After graduation from Hollins College, she served as a Governor's Fellow for the Governor of the Commonwealth of Virginia. She received her master's degree in Public Administration (M.P.A.) from Columbia University in New York City in 1985 where she served as a United States Department of Education Public Service Fellow. After graduation from Columbia, Melissa was selected as a Presidential Management Intern and worked in Washington, D.C. at the U.S. Justice Department from 1983-1987. Melissa will receive her Ph.D. in Political Science at LSU at Spring Commencement 2000.

Melissa Flournoy has had a successful career as a nonprofit executive, real estate developer and elected official. She returned to Shreveport, Louisiana in 1987 to become the Executive Director of the LightHouse, a local non-profit organization providing educational enrichment services in minority disadvantaged neighborhoods. Melissa also was involved in the establishment of the McAdoo and Buckhalter Hotels, which are single room occupancy (SRO) hotels funded through the Department of Housing and Urban Development. She is the founder of Shreveport SRO, Inc., a non-profit created to provide social services to homeless people. She authored the Housing and Urban Development (HUD) Grants which funded the development of CENTERPOINT, a social service referral center for homeless people.

Her experiences in social service delivery was the reason she ran and was elected to the Louisiana Legislature in 1991. Melissa represented District 6, East Shreveport, in the House of Representatives from 1992-1996. In 1995, Melissa ran for the state senate



and was narrowly defeated in a run-off election by a conservative Republican with the support of the soon to be elected Governor.

In 1996-1997, Melissa served as the Nonprofit Resource Center Director for Volunteer Baton Rouge in Baton Rouge, Louisiana. Currently, she is President and CEO of the Louisiana Association of Nonprofit Organizations (LANO), which she began as an initiative of the Council for A Better Louisiana in 1997.

Melissa is the past Board Chair of the Louisiana Delta Service Corps; serves on the W. K. Kellogg Foundation Mid South Delta Initiative Advisory Coalition; and the Mid South Collaborative for Nonprofit Development. Melissa is also the incoming board chair of the National Council of Nonprofit Associations (NCNA).


# DOCTORAL EXAMINATION AND DISSERTATION REPORT

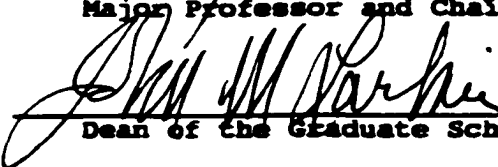
**Candidate:** Melissa Scott Flournoy

**Major Field:** Political Science


**Title of Dissertation:** The Effects of Government Funding on  
Non-Profit Organizational Behavior

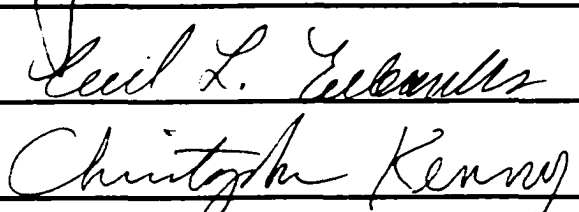
**Approved:**


  
Major Professor and Chairman

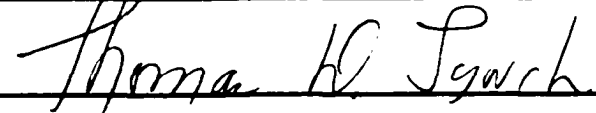
  
Dean of the Graduate School

**EXAMINING COMMITTEE:**

  
Cecil L. Eskew

  
Christopher Kenney

  
Daniel B. Martin

  
Thomas H. Lynch

**Date of Examination:**

March 2, 2000